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DAILY REPORT

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Vol I No 021

31 January 1985

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COMMENTARY VIEWS U.S.-USSR ARMS CONTROL TALKS

OW300639 Beijing Domestic Service in Mandarin 1150 GMT 28 Jan 85

["International Current Events" program]

[Text] The United States and the Soviet Union simultaneously announced on 26 January that their talks on nuclear arms and space weapons will begin in Geneva on 12 March. Lomeyko, chief of the Information Department of the Soviet Foreign Ministry, emphasized at a 26 January press conference that both sides should strictly adhere to the agreements reached on the contents and purpose of the talks. He hoped that the U.S. side would note the serious warning sounded by Gromyko. The continued U.S. deployment of intermediate-range nuclear missiles in Europe may cause problems for the forthcoming Geneva talks. The United States has not been very optimistic in its predictions on whether the talks will result in an agreement. Nitze, U.S. disarmament adviser, told reporters on 25 January that there are serious differences between the two sides with regard to the main purpose as well as many specific questions.

In our "International Current Events" program today, we present a commentary titled "Crossing of Swords Before the Start of Talks."

On 9 January, an agreement was reached between the U.S. and Soviet foreign ministers to resume talks between their two countries on arms control. The two sides agreed that after the place and time of the talks had been decided, they would resume talks on strategic arms and intermediate-range nuclear weapons and make arrangements for talks on space weapons. However, less than 2 weeks have elapsed since the agreement, and the two sides have already started marching to different drummers. They have offered different explanations of the agreement and the topics to be discussed in the talks. A fierce dispute has ensued.

First of all, the two sides have presented their own views on the results of the Geneva meeting with both claiming victory. The U.S. side holds that the key to the success of the Geneva meeting was the tough policy adopted by the United States toward the Soviet Union. It believes that since the United States went ahead with its plan to deploy cruise missiles in Europe and MX missiles at home, the Soviet Union was compelled to agree to the resumption of talks. But, according to the Soviet side, it was the Soviet insistence on the principle that resumption of talks on strategic and intermediate-range arms be linked with talks on the question of space weapons that eventually made the U.S. side accept the Soviet view.

Second, neither side wishes to make concessions concerning the question of space weapons. The Soviet Union, in particular, has taken a very strong attitude on this matter. After the Geneva meeting, President Reagan and other senior U.S. officials made it clear that the United States will not give up its star wars plan but will continue to research and test space weapons. On its part, the Soviet Union is doing its utmost to strike down the U.S. star wars plan. It insists that the purpose of the United States in establishing the space weapons system is to apply pressure on and blackmail the Soviet Union in the hope of keeping the Soviet Union in a subordinate position in order to assert world dominance. It feels this is absolutely intolerable.

In a television speech 5 days after the Geneva meeting, Soviet Foreign Minister Gromyko stressed that if the United States violates the agreement to prevent a space arms race, the consequences would be serious and the talks might be broken off. Meantime, the Soviet TASS NEWS AGENCY issued a commentary criticizing the United States for its unwillingness to give up its space weapons research work; it said this represented a willful interpretation of the forthcoming talks. PRAVDA, and other important Soviet publications, have also carried commentaries in which they have repeatedly emphasized that it is of utmost importance for the United States to give up its space weapons plan.

In a series of commentaries on U.S. President Reagan's inaugural speech, TASS and PRAVDA last week criticized the White House chief executive for refusing to take a constructive stand on the question of space weapons while dealing with limitation and reduction of nuclear weapons. They maintained that the U.S. Government has yet to show a consistent and realistic attitude toward future negotiations.

Third, the United States and the USSR are also quarreling over whether or not the talks on strategic weapons, intermediate-range nuclear weapons, and space weapons should be linked. The Soviet side stresses that talks over these three types of weapons should be linked, saying that the question of strategic weapons and intermediate-range nuclear weapons should never be separated from the discussion of space weapons, that there should be no agreement for one group without regard to the situation of the other two, and that both sides should discuss and study the situation from an overall situation. However, the U.S. side maintains that the issue about linking the three types of weapons was not settled during the Geneva talks, that the United States did not agree on any preconditions, that the progress of any one of the three negotiations should not be linked to the progress of other negotiations, and that the United States is willing to reach accords with the USSR on nuclear weapons and space weapons during the forthcoming negotiations.

The fourth issue in U.S.-Soviet disputes deals with their talks on strategic weapons. The U.S. side insists that the USSR must drastically reduce the number of its heavy ICBM's, whereas the USSR maintains that the composition of U.S. and Soviet strategic weapons is different, and that the USSR cannot agree to reduce its strategic weapons unilaterally or drastically because the United States has always possessed powerful bombers, especially bombers capable of carrying nuclear weapons.

Fifth, both the United States and the USSR have refused to yield on the issue of intermediate-range nuclear weapons. Gromyko declared that, should U.S. nuclear weapons continue to be deployed in Western Europe, the situation would become more extremely complex, and new negotiations would be hampered. However, the United States insists that it will continue to deploy cruise missiles in Western Europe as scheduled, flatly rejecting the possibility that deployment of intermediate-range missiles be deferred during the U.S.-Soviet negotiations on weapons. In this regard, the USSR also insists that nuclear weapons possessed by Britain and France be counted in the talks on intermediate-range nuclear weapons, whereas the United States disagrees with this calculation.

These circumstances show that both the United States and the USSR are just as far apart and quarrelsome as before the agreement on the resumption of talks on arms control was reached, and that the agreement is so frail that it can hardly resolve any practical problems.

The disputes between the United States and the USSR show that both sides are intent on weakening the other and preserving and developing their own superiority. If the United States and the USSR have no intention of giving up their individual plans, the arms race will not stop but will continue.

The fact that the United States and the USSR are locked in incessant quarrels with sharp differences in viewpoints and stands even before the talks begin shows that their talks will be a marathon process. The prenegotiation disputes are not surprising, and the world's peace-loving people have not entirely pinned their hopes on the super-power talks to preserve peace. People of all countries know that they must rely on themselves to stop the arms race and preserve world peace.

FOREIGN CURRENCY LOANS BOOST ENERGY, DEVELOPMENT

OW300745 Beijing XINHUA in English 0658 GMT 30 Jan 85

[Text] Beijing, January 30 (XINHUA) -- The Bank of China pumped nearly 600 million U.S. dollars in loans last year into some of the country's key energy development projects. According to bank figures, more than 30 million U.S. dollars were extended to a nuclear power plant to be built in Guangdong Province, 220 million to an open-cast coal mine in Pingsuo, Shanxi Province -- a Sino-U.S. joint venture -- and 300 million to China's largest oil producer, Daqing, for an expansion program, and the Zhongyuan oilfield in Henan Province for pipeline construction.

Some of the loan-recipient projects have already produced satisfactory results, said a bank official. He cited the example of Daqing, where two peripheral oilfields turned out above-quota crude oil amounting to more than 200,000 tons in 1984 the same year as the drilling started.

The bank will expand its loan schemes this year to speed up development of energy and communications and the special economic zones, and coastal cities and aid in production in poor regions. The official revealed that his bank would use loans equivalent to 2.4 billion U.S. dollars extended by the Export-Import Bank of Japan for the development of land and offshore oil exploration and coal mines.

Included in the loan program will be the Dagang, Liaohe and Daqing oilfields, an offshore oilfield in the southwest of the Bohai Sea, and two coal mines in Inner Mongolia and Shanxi. More loans will be issued this year to the shipbuilding and civil aviation industries, the official said.

To speed up construction of coastal cities open to the outside world, special economic zones and Hainan Island, the bank will give priority to projects that require less capital outlay and produce quicker and better economic results, help bring in technology and more funds, and offer information and consultancy services. It will also issue development and investment loans in these places.

The bank has decided to earmark 100 million U.S. dollars in loans in 1985 to help economically underdeveloped areas in Yunnan, Guizhou, Qinghai and Gansu Provinces and the Guangxi, Xinjiang, Inner Mongolia and Ningxia Autonomous Regions, the official said.

QIAN QICHEN INTERVIEWED ON SINO-SOVIET RELATIONS

HK301302 Beijing SHIJIE ZHISHI in Chinese No 24, 16 Dec 84 p 2

["Special feature": "Vice Foreign Minister Qian Qichen Answers Questions From SHIJIE ZHISHI on Sino-Soviet Relations"]

[Text] Question: Can you talk about the visit to China by Arkhipov, first vice chairman of the USSR Council of Ministers?

Answer: The first thing I want to say is that First Vice Chairman Arkhipov is one of our old friends, who had worked in China for many years in the 1950's as the general adviser on the Soviet expert team assisting China in construction and had made valuable contributions to the formulation and implementation of our country's First 5-Year Plan. Many Chinese leaders of the older generation are familiar with him. We have long talked about his present visit to China, and it will be quite natural for us to extend him a warm welcome and friendly entertainment. Leading comrades of the State Council will hold talks with him and some other Chinese leading comrades acquainted with him will also meet him as a friend. All these contacts at a higher level will undoubtedly help to enhance the mutual understanding between the two sides and create a nice atmosphere for the improvement of relations between the two countries. As First Vice Chairman Arkhipov is in charge of the Soviet Union's foreign economic relations, we hope that his visit will bring about development in bilateral economic relations, trade, scientific and technological cooperation, and other areas.

Question: China and the Soviet Union have so far held five rounds of talks. What is your general appraisal of these talks?

Answer: The fifth round of talks between the Chinese and Soviet vice ministers of foreign affairs was held in Beijing last October. The Sino-Soviet talks mainly focused on the removal of the obstacles to the normalization of relations between the two countries. Both sides have voiced their desire for the improvement of relations. However, there are major differences between the two sides over the question of how to achieve the normalization of relations between the two countries. Although the atmosphere of the talks has been good, so far no substantial progress has been made. The dialogue will be continued and the sixth round of talks will be held in Moscow next April.

Question: What are the main differences?

Answer: We hold that only expressing good will for the improvement of Sino-Soviet relations is not enough, and real actions to remove the obstacles are essential. All these obstacles are matters existing around our territory and affecting our security, which we cannot ignore. It appears that the Soviet Union does not want to remove these obstacles because doing so would endanger the interests of a third country. Such a view is groundless. We never want to endanger the interests of any third country but hold that the interests of no nations should be hurt and the sovereignty, independence, and security of every nation must be respected. It is in the fundamental interests of the Chinese and Soviet peoples and in the interest of peace in Asia and the world that we urge the Soviet Union to remove the obstacles to Sino-Soviet relations. Our proposal is advantageous to all peoples in the world and the argument that it would endanger the interests of a third country is just out of the question.

Of course, the two countries still can strengthen their relations and contacts in various fields based on the principle of equality and mutual benefit before all the above-mentioned fundamental problems are solved. I hope that the two countries can remove all the difficulties and obstacles and make progress in their talks through joint efforts.

Question: What do you think about the prospects for development of Sino-Soviet economic relations and trade?

Answer: China and the Soviet Union are neighboring big nations. There is considerable potential for the two countries to develop their economic relations and bilateral trade to meet each other's needs. The Soviet Union needs quite a few light industrial and agricultural products from China, while China, for its part, needs much timber and rolled steel, as well as many large-sized machinery products from the Soviet Union. Moreover, as the short distance between the two neighboring countries makes transportation easy and provides favorable conditions for trade, they can become relatively good trade partners. In fact, the volume of trade between the two countries has been growing constantly in recent years. This development is beneficial to both sides.

Question: It is said that the development of Sino-Soviet relations may affect the development of Sino-U.S. relations, or vice versa. Do you think this view is justifiable?

Answer: This view is groundless and therefore incorrect. The development of Sino-Soviet relations is not determined by the progress made in the development of Sino-U.S. relations and vice versa, the development of Sino-U.S. relations is not determined by the progress made in the development of Sino-Soviet relations. We maintain that it is necessary to develop our relations with all nations based on the five principles of peaceful coexistence. We hope that Sino-U.S. relations will develop steadily and we wish to achieve the normalization of Sino-Soviet relations and to establish friendly ties with our neighbor. As for U.S.-Soviet relations, we are also looking forward to the relaxation of the tense relations between the two countries. The improvement of Sino-Soviet relations, the steady development of Sino-U.S. relations, and the relaxation of U.S.-Soviet relations will not only conform to the interests of their respective peoples but also to the interests of all peoples in the world.

We follow an independent foreign policy, making judgments and taking stands on our own according to each case in international affairs. China will never yield and attach itself to any big power, will never seek balanced and equidistant diplomacy, and will play neither the Soviet card nor the U.S. card. Our fundamental principle and starting point is to strive to safeguard the interests of the Chinese people and the peoples of the world and to defend world peace. It should be noted that the arms race between the Soviet Union and the United States, both of which maintain the largest nuclear arsenals in the world, is a serious threat to world peace. We hope that the two countries will deploy no more new missiles in any region in the world but get down to negotiations, take real actions, and reach an agreement on the initiative of substantial nuclear disarmament so as to ease the tense international situation. By and large, we hope to secure a peaceful international environment, which is a necessary condition for the socialist modernization of our country and the common aspiration of the people of China and the world.

COMMENTATORS DISCUSS ARKHIPOV PRC VISIT

OW310211 Beijing in Russian to the USSR 1800 GMT 27 Jan 85

["International Affairs" feature: "Dialogue" by Beijing radio commentator (Hung Bo) on visit to PRC by Ivan Vasilyevich Arkhipov, first deputy chairman of the USSR Council of Ministers]

[Text] [First unidentified announcer] The visit of Comrade Arkhipov to China was another important event in China's diplomatic effort in 1984 that drew the attention of the world public. Its significance is obviously clear. The world public has ascertained that a visit to China now by such a high-ranking Soviet official, after more than 20 years, signifies the introduction of a new stage of dialogue between China and the Soviet Union and is an important event of symbolic significance.

[Second unidentified announcer] Yes, and that is not all. Comrade Arkhipov's visit to China also achieved important results. As we have reported in our radio programs, three agreements were signed between the Chinese and Soviet sides: a Chinese-Soviet agreement on economic and technical cooperation between the governments of the two countries, an agreement on scientific and technical cooperation, and an agreement on the establishment of a commission on economic, trade, and scientific and technical cooperation between the two countries. Both sides also agreed to sign in the first half of 1985 a long-term economic and trade agreement between China and the Soviet Union for 1986-1990 and agreed to hold bilateral talks at the specialists level in the first quarter of this year.

In view of the fact that economic and trade relations between China and the Soviet Union have definitely developed in recent years, both sides agreed to establish a Chinese-Soviet commission on trade, economic, and scientific and technical cooperation at the vice premier level. Moreover, the sides also decided on a supplementary trade agreement to increase the volume of bilateral trade from 3.6 billion Swiss francs last year to 4.6 billion Swiss francs this year.

[First announcer] These results show that cooperation between China and the Soviet Union in the economic, trade, and scientific and technical spheres has made a major step forward and that if only the sides take an active position, it would be possible to help further expand and develop cooperation between the two countries in all spheres. Here, we would also like to say that on behalf of the Soviet Government, Arkhipov, first deputy chairman of the USSR Council of Ministers, invited one of the vice premiers of the PRC State Council to visit the Soviet Union this year, and Zhao Ziyang, premier of the PRC State Council, gladly accepted the invitation. These friendly relations will promote the improvement of relations between the sides.

[Second announcer] During Comrade Arkhipov's stay in Beijing, he also met with Chinese leaders. Comrades Chen Yun and Bo Yibo, who had worked together with Comrade Arkhipov in past years, warmly received him at Zhongnanhai. The old friends were extremely glad to meet again. The three of them warmly embraced. Comrade Chen Yun told Comrade Arkhipov: You are our old friend. We have not forgotten and will never forget the assistance given us by the Soviet Government and people during revolutionary wars and peaceful construction.

Before Comrade Arkhipov left China, he met with Peng Zhen, chairman of the NPC Standing Committee, who warmly congratulated him on the success of the talks with the Chinese side and noted that this benefited the fundamental interests of the two peoples and the normalization of Chinese-Soviet relations.

In 1984, when Wan Li, vice premier of the PRC State Council, arrived in Moscow to take part in the funeral for Andropov, he was received by Arkhipov, first deputy chairman of the USSR Council of Ministers. At that time, Comrade Wan Li invited Comrade Arkhipov to visit China. During his current trip to China, Wan Li especially invited Arkhipov to a reception at the Heipingmen roast Beijing duck restaurant. Wan Li told him: On this occasion you have visited familiar places and met with old friends.

[First announcer] During First Deputy Chairman Arkhipov's visit to China, our special correspondent made timely reports on the arrival of the high-level Soviet guests in Beijing, Guangzhou, Shenzhen, and Wuhan. In the Shenzhen Special Economic Zone, Comrade Arkhipov visited the industrial sector, tourist centers, and was a guest of fishermen. He said that China had made quite major developments in recent years. Although many people in our country talk about special economic zones in China, no one can clearly explain what they are. This time he saw them with his own eyes and gained some understanding. He told Liang Xiang, mayor of Shenzhen City, that he is interested in the experience China has accumulated during the building of special economic zones. Comrade Arkhipov also visited the Wuhan metallurgical complex, which Soviet specialists helped construct.

Listen now to an excerpt from reportage by our special correspondent. [faint audio of conversation conducted in Russian]

[Second announcer] You are listening to a conversation between Arkhipov, first deputy chairman of the USSR Council of Ministers, and Deputy Director (Mao Zhangyuan). In the 1950's, Comrade Arkhipov was the main adviser on the work of Soviet specialists in China. He knows well the Wuhan metallurgical complex, which was one of the important construction projects in our country at that time. As a metallurgical expert, Arkhipov is particularly interested in the state of the complex today. (Mao Zhangyuan) is answering all his questions in Russian. According to plan, the annual output of steel at the first steel plant is 1.5 million metric tons. However, steel output here reached 2 million metric tons in 1984. Comrade Arkhipov is very happy about this.

Comrade Arkhipov's visit to China signifies that relations and contacts between China and the Soviet Union have risen to the vice premier level and that economic, trade, and scientific and technical cooperation between the two countries has taken a major step forward. This makes us very happy. However, as before, obstacles still exist in Chinese-Soviet relations. They are also objective facts, and only when the obstacles between the two countries are removed can their relations achieve long-term and stable development and broad prospects open for the development of economic cooperation between the two countries.

DPRK OFFICIAL CONDEMNS 'TEAM SPIRIT-85'

OW301822 Beijing XINHUA in English 1630 GMT 30 Jan 85

[Text] Pyongyang, January 30 (XINHUA) -- The United States and South Korea should change confrontation into dialogue to pave the way for talks between the North and the South of Korea, said a spokesman of the Committee for the Peaceful Reunification of the Fatherland of the DPRK today. The spokesman described in a statement the U.S.-South Korean "Team Spirit-85" joint military exercises to be held in South Korea as an intolerable act of war detrimental to peace in the Korean peninsula, to dialogue and to the process of peaceful reunification.

The statement noted that no dialogue can be held when the confrontation propaganda is going on, and that the relations between the North and the South can not be improved when the tension exists. It said if the United States and the South Korean authorities really want to hold dialogue and guarantee peace, they must drop their policy of war and adopt a policy for peace, immediately call off the joint military exercises and carry out the North-South dialogue in good faith in response to the proposal of tripartite talks.

The United States and South Korea plan to stage the large-scale "Team Spirit-85" joint military exercises involving over 200,000 troops from February 1 to mid-April.

DPRK CONDEMNS ROK SUPPRESSION OF DISSIDENTS

OW301832 Beijing XINHUA in English 1615 GMT 30 Jan 85

[Text] Pyongyang, January 30 (XINHUA) -- A leading member of the DPRK Democratic Front for the Reunification of the Fatherland today condemned the South Korean authorities for their suppression of the democratic forces. Yom Tae-chun, vice chairman of the front, said the South Korean authorities have sent troops to surround the home of the leading dissident Kim Yong-sam and put him under house arrest, attack the headquarters of the New Korea Democratic Party and arrest students. In addition, they declared that former presidential candidate Kim Tae-chung will be taken into custody when he returns from abroad.

Through these activities the South Korean authorities have brutally trampled upon the democratic rights of the people, the DPRK official said. These activities were aimed at driving the political opponents in South Korea out of the political scene and perpetuating the one-party rule in South Korea, he said. He called on the South Korean authorities to stop their suppression of the democratic figures and the patriotic people and to guarantee their freedom to political activities.

SHIJIE ZHISHI LAUDS COOPERATION BETWEEN 2 KOREAS

HK300335 Beijing SHIJIE ZHISHI in Chinese No 24, 16 Dec 84 p 3

[Article by Tao Bingwe: "New Development of Relations Between North and South Korea"]

[Text] The frequent contacts and talks between North Korea and South Korea have aroused the attention of the international community. In late September this year the relief goods offered by North Korea were delivered to South Korea. On 15 November, the first meeting on economic cooperation between vice ministers of South Korea and North Korea was successfully held in Panmunjom.

Subsequently, the Red Crosses of the two Koreas reopened their negotiations. The whole world was of the opinion that all this "indicates that the tense relations between South Korea and North Korea have given way to a new chapter."

The division and confrontation between South Korea and North Korea is now about 40 years old. Since the armistice, all attempts made to find a way to reunify the country have proven to be futile. The meetings on several levels, which began in 1972, have always broken up in discord. However, things were very different when North Korea delivered relief goods to the South this year. In September, South Korea was hit by a flood, which had been quite rare in the past. About 200,000 people were affected. Many had little to eat. They were homeless and in need of clothing. Out of its love for its fellow compatriots, the North offered to deliver 50,000 tons of rice, 500,000 meters of cloth, 100,000 tons of cement, vast quantities of medicine, and other relief goods to the South. In the past, when the North offered the same thing, the South always refused to accept its offer. However, it responded positively this time and accepted the offer.

In the course of the negotiations on the delivery of the goods and materials, neither side mentioned preconditions. They had made compromises and concessions out of goodwill. In this way, the relief goods eventually reached the victims of the flood in time. According to both North Korean and South Korean newspapers, the Koreans from both sides cooperated well with one another. During the delivery of the relief goods, they treated one another with sincerity, dined together, and showed their brotherly love for one another. The high-quality rice, cloth, cement, and medicines were delivered to the South in sacks marked with the words "Produced by DPRK."

On their arrival in South Korea, the South Koreans carefully unloaded them from the ships without causing any damage. That was the first time goods and materials were transported from the North to the South. In addition, when trucks and ships left North Korea for the South, North Koreans beat drums and gongs to see them off. As soon as they arrived at the points of delivery in South Korea, the people there ran around to spread the news, clapped their hands, and cheered. This shows that the Korean people urgently desire reconciliation and cooperation between the North and the South.

About a month later, economic talks were smoothly held between the North and the South. The talks were proposed by the South. The North accepted the proposal without hesitation. During the first round of talks, neither side had blamed each other for their past mistakes. In a cordial and amicable atmosphere, they sincerely and earnestly discussed problems. They adopted a forward-looking attitude and they valued national interests above everything else. The delegates from the North raised three suggestions: First, they can make joint efforts to exploit and utilize subterranean natural resources and either side can utilize the mines located on the opposite side with its own manpower facilities; second, they can set up a joint fishing ground, find new fishing grounds, and jointly run an "aquatic products joint corporation;" and third, they can cooperate in agriculture, jointly develop the beaches on the western coast, and join their irrigation networks.

In order to successfully realize and coordinate the economic cooperation and exchange between the two sides, the North suggested that they should link Seoul and Sinuiju with the help of a railroad, that the North should open Nampo Port and Wonsan Port to the South, that the South should open Inchon Port and Pohang Port, and that a "North-South Economic Cooperation Committee" with five economic experts from each side as its members should be set up.

The delegates from the South raised suggestions on the kinds, quantity, and prices of the goods and materials to be exchanged. In addition, they also suggested the mutual exemption of custom duties, that they can jointly excavate iron and anthracite, and that they can cooperate and jointly invest money in light industry. During the talks, the delegates from the North suggested that in the course of cooperation, both sides should abide by the principle of upholding the unified development of their national economies and their common interests, respecting each other's basic economic policies, and benefiting each other. The delegates from the South did not challenge that. On the basis of the actual circumstances, they voluntarily showed their sincerity, adhered to the principle of mutual understanding and mutual accommodation with no desire to overthrow or get rid of each other, and made efforts to reconcile and cooperate with each other. Their spirit and their way of doing things can become an example of how the North and the South should carry out further consultations and jointly promote the cause of the reunification of the country.

Their talks on the exchange of goods and materials and economic cooperation, unprecedented in the past 40 years, have profound and far-reaching significance. The dialogue between North Korea and South Korea and, in particular, the issuance on 4 July the same year of a joint declaration which affirms the three principles of "independence, peaceful reunification, and great national unity" are doubtless the most important events in the history of post-war Korea. Although the circumstances then had prevented them from making any significant progress, the dialogue in the past was, however, an active attempt and the three principles still remain the basic principles for settling the issue of the reunification of the country. After the twists and turns in several decades and as a result of the changes in the circumstances both inside and outside the Korean peninsula, the road of reconciliation, consultation, and cooperation is now in accord with people's wills and the general trend of events. The international community is of the opinion that the talks between South Korea and North Korea can give great impetus to the cooperation between them.

Of course, things do not develop as smoothly as people may have expected. Because of about 50 years of division between the North and the South, the profound estrangement, misunderstanding, mistrust, and confrontation between them cannot be dispelled overnight. In addition, the difference in social systems may make the talks very time-consuming. Incidents that take place accidentally always bring obstacles to the talks or even lead to their suspension. For example, on 23 November, within the Joint Security Zone under the Military Armistice Commission, three Korean guards were killed by American and South Korean guards. North Korea has lodged a protest against the United States. In addition, it has also suggested that the second round of economic talks between the North and the South, which was to be held on 5 December, should be postponed until next year.

However, the reconciliation and consultation between North Korea and South Korea are in accord with the people's will. People in the sphere of public opinion have suggested that the dialogue, exchange, and cooperation between the two sides are in their interest and that they should carry on with them. Of course, all this requires that both sides be sincere.

WU REAFFIRMS RIGHT TO GIVE SRV 'SECOND LESSON'

HK301514 Beijing XINHUA Hong Kong Service in Chinese 1445 GMT 30 Jan 85

[Report: "Wu Xueqian on Situation in Cambodia" -- XINHUA headline]

[Text] Hong Kong, 30 Jan (XINHUA) -- Talking in Hong Kong about the current situation in Cambodia, Chinese Foreign Minister Wu Xueqian pointed out: Although it appears that Vietnam has launched a few more operations this year than it did last year, it will not be able to bring about a fundamental change in the situation on the Cambodian battlefield.

Wu Xueqian passed through Hong Kong at noon today after his visit to Sri Lanka and Singapore. He made the above comment at the airport when someone mentioned the dry season offensive recently launched by the Vietnamese authorities against the Cambodian anti-Vietnamese armed forces.

When answering another question, Wu Xueqian reaffirmed that if Vietnam continues its provocation along the Sino-Vietnamese border, China reserves the right to give Vietnam a second lesson. [Zhong guo bao liu gei yu yue nan di er ci jiao xun de quan li, 0022 0948 0202 3966 4822 0056 6390 0589 4574 0059 2945 2403 6064 4104 2938 0448]

In a talk to the press, Wu Xueqian pointed out that his visits to Sri Lanka and Singapore were successful and will promote the friendship and economic cooperation between China and the two countries.

Wu Xueqian also disclosed that the name list of Sino-British joint liaison group to be set up according to Annex 2 of the Sino-British joint declaration on the question of Hong Kong will soon be announced.

After a short rest at the airport, Foreign Minister Wu left Hong Kong to visit the Shenzhen Special Economic Zone.

RENMIN RIBAO RAPS SRV'S 'VENOMOUS SLANDERS' AT UN

HK310746 Beijing RENMIN RIBAO in Chinese 31 Jan 85 p 6

["Jottings" by Rong Jiu: "Venomous Slanders Against the United Nations"]

[Text] UN Secretary General Perez de Cuellar visited Hanoi on 28 January. Before his arrival, Vietnamese Foreign Minister Nguyen Co Thach loudly abused the United Nations to the media, babbling that "the hands of the United Nations are soaked in blood." It is indeed "pioneering" for Vietnam, a member of the United Nations, to "welcome" the UN secretary general in such a fashion.

What was the "reason" for Nguyen Co Thach's harsh attack on the United Nations? He said it was because the United Nations supports the Coalition Government of Democratic Kampuchea. This is really strange logic. The Vietnamese Army has invaded Cambodia and slaughtered patriotic Cambodian soldiers and people, while the UN General Assembly has repeatedly demanded that Vietnam withdraw its troops and ensure the Cambodian people's right to self-determination. This means that Vietnam is now causing bloodshed among the Cambodian people and the United Nations is demanding an end to the bloodshed. How can it be that for Nguyen Co Thach, the United Nations has become an executioner "with hands soaked in blood," while Vietnam has become an angel of peace with innocent hands?

It is not at all difficult to solve this mystery: Nguyen Co Thach has smeared the UN flag with the blood soaking his own hands. The Vietnamese authorities were racking their brains in scheming to bring the Phnom Penh puppets into the United Nations to take the legitimate place of Democratic Kampuchea and to wipe their own bloodstained hands clean on the UN flag. However, defeated in this, they are now staging the current performance: Venomous slanders against the United Nations.

THAI FORCES CLASH WITH SRV 'INTRUDERS'

SRV 'Invading' Trat

OW300756 Beijing XINHUA in English 0722 GMT 30 Jan 85

[Text] Bangkok, January 30 (XINHUA) -- Thailand yesterday called out Air Force to strike at the Vietnamese troops invading Thailand's eastern province of Trat, according to a report reaching here today from the Thai border town of Aranyaprathet. The report quoted deputy chief of staff of the Chantaburi-Trat defense force Chaturon Phankongchun as saying that 40 Vietnamese soldiers armed with machine guns, recoilless rifles and rocket-propelled grenades intruded one kilometer deep into Trat Province on January 28 and clashed with Thai Marines. One Thai soldier was killed and three others were injured in the encounter. Thai military aircraft were called in yesterday to strafe and rocket Vietnamese positions on Thai soil, Chaturon said, adding that Thai forces prepared to use heavy weapons today to drive out the Vietnamese intruders.

Heavy Casualties Inflicted

OW301842 Beijing XINHUA in English 1445 GMT 30 Jan 85

[Text] Bangkok, January 30 (XINHUA) -- Vietnamese troops who had intruded into Thailand's eastern province of Trat today suffered heavy casualties from a joint operation by the Thai Air Force and Marines, according to a report reaching here today from Trat Province. The Vietnamese intruders are still digging in inside Trat Province bordering Kampuchea, said the report. The joint operation was aimed at dislodging them from Thai soil. The report quoted a Thai military source as saying that Thai aircraft strafed the Vietnamese entrenched on the Banthad mountain range, some 250 kilometers southeast of Bangkok, while the Marines pounded the Vietnamese positions with artillery. A Navy spokesman was quoted as saying that two divisions of Vietnamese troops had been posted less than one kilometer from the Thai border in Trat Province. The Vietnamese military presence inside and near the Thai border posed a serious threat to Thailand's security, the spokesman declared.

Push Back of SRV Underway

OW310944 Beijing XINHUA in English 0649 GMT 31 Jan 85

[Text] Bangkok, January 31 (XINHUA) -- Thai Marines stationed in Thailand's eastern province of Trat have been closing in on the Vietnamese intruders in a bid to push all of them out the Thai soil, according to a report received here today from Trat Province. The push-back operation covers border areas in Pong Nam Ron District of Chanthaburi Province and Bo Rai District of Trat Province, the report quoted deputy chief of staff of the Chanthaburi-Trat border defense force Chaturon Phankongchun as saying. Chaturon said that Thai Marines clashed with the Vietnamese intruders on January 25, 26 and 28. One Thai soldier was killed and two others wounded in the fighting. Thai aircraft joined the push-back operations, he added. Since the areas were rugged, he noted, it was very difficult for Thai troops to push out all the Vietnamese dug in on Thai soil. A Thai Navy spokesman said that the Thai border troops were trying their best to push out all the Vietnamese invaders in one or two days.

ZHAO ZIYANG WRITES ON LOOSENING PRICE CONTROL

OW310639 Beijing XINHUA Domestic Service in Chinese 1325 GMT 30 Jan 85

["Title: Loosen Control Over the Prices of Farm Products To Promote the Readjustment of the Production Structure in Rural Areas: Zhao Ziyang" -- XINHUA headline]

[Text] Agricultural Development Should Be Coordinated

On the whole, the current situation of agricultural production is good. The output of grain, cotton, and other crops has been increasing consecutively for several years. The peasants' income continues to rise, and a new, thriving situation has appeared in the rural areas throughout the country. However, many new problems and contradictions have also cropped up. For example, while a large increase in grain and cotton output has given rise to a situation in which grain and cotton are difficult to sell, the production development of certain agricultural and sideline products is too slow to meet social needs. This shows that our agricultural structure is still not entirely rational, the relationship between various agricultural sectors is not fully coordinated, and agricultural production still cannot keep up with social needs.

Development of grain and cotton production has been rapid during the past several years. Grain and cotton output in 1984 was expected to reach 800 billion jin and 110 million dan respectively. Of course, this does not mean that the output was extremely high. It means that, because of our low level of consumption, the needs of the state and society have been exceeded for the time being. We never anticipated such a situation. We failed to understand fully that various agricultural sectors should develop in a coordinated manner, and that in agricultural production, quantity should gradually give way to quality, and so we failed to keep up with the situation. The cause of this situation is primarily an institutional one. It is largely due to our agricultural planning system. In the past when there was a shortage of goods, the state's unified procurement and marketing of commodities played a positive role. However, because products were procured and marketed by the state in a unified manner, which means that the state procured whatever was available regardless of quantity, the peasants did not have to plan their production according to social needs. Moreover, since production and procurement plans were handed down from the upper departments to the lower departments, they could hardly be accurate or perfect, nor could they reflect market needs.

Today agricultural production has entered a new stage, marked by development of a commodity economy. This means that agricultural goods should be produced in accordance with market and social needs. When it is apparent that the old structure of agricultural production cannot keep up with current needs, we must restructure production to keep up with the new situation of the commodity economy. Within the agricultural sector there is the question of readjustment and coordinated development between grain crops and economic crops, and between various varieties of grain crops and economic crops, as well as between agriculture and animal husbandry, and between forestry and fishery. I presented this viewpoint when I was inspecting the Zhu Jiang Delta and the Chang Delta. I stressed that delta areas should aim at entering the international market and restructure their agricultural production, focusing on export needs. Not only should the agricultural structure of the coastal areas be readjusted, the nation's agricultural front must also readjust its structure of production according to local conditions as well as social and market needs.

As long as our agriculture is operated according to the principles for a commodity economy, the division of different types of labor will come into being naturally. In accordance with the quotas handed down from the upper departments, people in the Zhu Jiang Delta and the Chang Jiang Delta used to seek nothing but high output, regardless of quality or whether or not their products could be marketed.

Now that the situation has changed, the people in those areas are unwilling to grow more grain crops than necessary. In Foshan the peasants there have proposed abolishing the system of unified procurement and marketing, and allowing them to pay cash in lieu of grain, and they have earned more money by growing sugarcane, flowers, vegetables, bananas, and other fruits, as well as breeding fish in areas released from growing grain crops. There is a promising future for our country's coastal areas to develop a food industry. Acting fully in accordance with the requirements of the international market, they should produce all types of commodities of various specifications needed by Hong Kong, Macao, and other foreign markets. For example, Shenzhen's Guangming Overseas Chinese dairy farm has cooperated with foreign businessmen to improve the quality of its products. Within 3 years it has taken over a large portion of the milk market in Hong Kong. The situation that has appeared in Guangdong and southern Jiangsu will not appear in interior provinces such as Jiangxi and Hunan, whose superiority is in the production of food grain. Other localities that are suitable for the development of forestry or animal husbandry should engage in projects in these areas. They should not necessarily try to achieve self-sufficiency in grain, much less should they engage in building bases for producing commodity food grain. The coastal, interior, mountainous, and hilly areas should give scope to their own specialities, develop the kind of production which they are good at, learn from each other's strong points to offset their weaknesses, and trade with one another in order to develop together in a coordinated manner. New ways of utilizing certain agricultural products should also be developed. Take dehydrated sweet potatoe, for example. After they have been processed into starch, the starch can be reprocessed into isomeric sugar, which has a high economic value. Regions such as northern Anhui and southeast Henan should reserve some areas for the production of sweet potatoes. Their production and income should both be high. As the structure of rural production changes, the makeup of the labor force also changes. In Guangdong and southern Jiangsu, where the commodity economy has been developed, between 60 and 80 percent of their labor force has been switched to industrial and sideline production and to the tertiary industry. This process is much slower in the interior areas. To restructure our agricultural production, we must be well informed, improve our technical knowhow, increase capital, and train the required personnel; and this requires a process of development. We must work hard in all quarters so that this process can be accelerated.

Restructuring rural production is a measure which is in the interest of the country and the people. For many years we have tried to resolve this problem so that the production structure in the rural areas could be rationalized, but we got stuck in the question of grain. Now the supply of grain is abundant, the need of agricultural goods is increasing in all quarters, and the market has been expanding steadily. This is a very good opportunity. Agricultural production can turn around fairly quickly. As long as we make the best use of the situation and do our job earnestly, significant successes can be accomplished within a few years.

Loosening Control Over the Prices of Farm Products Is Imperative

The most fundamental requirement in restructuring agricultural production so that it can develop in a coordinated manner is to work according to the law of value, broaden market regulations, gradually loosen price control, and allow the peasants to produce according to market demands. We now have the conditions for loosening price control since the supply of agricultural products is abundant and there is a tentative surplus of grain and cotton. Such being the case, broadening of market regulations and fluctuation of market prices may begin in the rural areas. Control may be gradually loosened over prices of agricultural and sideline products, which include primarily perishable goods, pork, and vegetables, as well as food grain, cotton, and other crops. Restructure of our country's economic system began in the rural areas, where the issue of "eating from the same big pot" has been resolved by the adoption of the system of contracted responsibilities with remuneration linked to output. This basic experience has now been extended to the industrial sector and urban areas.

Current price reform will also begin in the agricultural sector, beginning with agricultural and sideline products. In doing this, we can further invigorate the rural economy by instilling new vitality in it. If we succeed in solving this problem, which has not been resolved in socialist countries, our success would be of great significance.

Naturally, loosening price control does not mean that the state is not participating in market regulation. The state still purchases large portions of grain, cotton, and other major farm products at preferential prices. The state will purchase 150 to 160 billion jin of grain at a price based on a "reversed ratio of 30 percent and 70 percent" (30 percent of the grain will be purchased at the original state purchasing prices, while 70 percent will be purchased at a price set for surplus grain). The remaining surplus grain will be sold at market prices and subject to market fluctuations. However, when market prices fall below state purchasing prices, the state will step in and buy any surplus at state purchasing prices. It will purchase any amount available. This is the price set to protect the peasants. In this way, peasants are "protected at both ends." The state must participate in market regulation by purchasing and selling commodities on the market in order to stabilize commodity prices. It must avoid taking blind action in market regulation that would cause drastic fluctuations in prices. It must protect the producers' interests as well as those of consumers. When the control over grain is loosened, market prices of products of various qualities and varieties in different localities may go up and down. For example, the price of high-quality rice may possibly go up, while that of poor-quality rice may go down. The prices in grain-producing areas may go down, while those in grain-deficient areas may go up. As a whole, prices will show a downward trend. For a period of time the prices of pork, vegetables, and aquatic products may go up after the control of the prices of these products is loosened. The experiences in Guangdong and other localities have indicated that the prices will go up at the beginning for a while after control is loosened. However, they will gradually drop and stabilize as more products become available on the market. To ensure the supply to the cities, the state may supply a fixed portion of some commodities for daily use such as grain, edible oil, and pork at prices fixed by the state. By providing subsidies, the state may also regulate the market by selling some commodities at lower prices to protect the interests of consumers and maintain the basic stability of commodity prices on the market.

Will there be any danger after relaxing price controls? Will such a relaxation of price control affect the peasants' enthusiasm? It is certain that peasants will reap benefits after the control over the prices of hogs, vegetables, and other live and perishable commodities is loosened and that their enthusiasm will be greatly heightened. People are more worried about grain. I do not think that it will be affected much, because the state has already planned to purchase 150 to 160 billion jin of grain at preferential prices, which account for large portion of the marketable grain, and this policy will remain unchanged for a long time to come. So only the remaining small portion of 10 billion jin will be subject to market regulation. Its price will fluctuate according to the market. Therefore, we cannot say that this is a "restriction in purchasing." We should regard such practice as one to loosen price control. Thus, in places where more grain crops are being grown, there will be no worries about marketing grain or about lower grain prices that would hurt the peasants. Those localities where the acreage sown to grain crops is being reduced may also increase their income by planting and growing something that would have even higher yields. The total amount of grain purchased by the state at preferential prices will remain unchanged, while the amount of state purchases may increase or decrease in different districts. The practice that "plans should be made known 3 years ahead" should be carried out in order to make arrangements on time. Various provinces and districts may also sign economic contracts on grain. Thus, they may give full play to their own dominant position, change their crop patterns, readjust the varieties of their crops, improve the quality of their farm produce, invigorate the rural economy, and help the peasants become well-off as soon as possible. All this would benefit the state and the peasants.

Of course, the state will do its utmost to help change the agricultural structure. Some arrangements for this purpose have been included in this year's state plan. However, it requires our joint efforts to rationalize the agricultural structure and usher in a new situation of development of the rural commodity economy, and it won't do to rely on the state financially in everything. Moreover, giving aid to the rural areas is not merely a financial question in the final analysis, it also involves a question of placing money in circulation. Since this is a matter concerning our national economy as a whole, it is imperative to consider it in its entirety.

Also, the situation varies from place to place, so different measures should be taken for different places. For example, in the areas of southern Jiangsu and the Zhu Jiang Delta, there is a subsidy of 0.05 yuan for every jin of grain produced. If the grain output is cut by 1 jin, the subsidy will be reduced by 0.05 yuan. Those areas are very capable of taking appropriate action according to a change in circumstances. Once control is loosened, the peasants there will quickly make a change by growing other kinds of crops. We can reduce the grain purchase quota for those areas and accordingly increase the grain purchase quota for Hunan, Anhui, and Jiangxi to better exploit the favorable conditions for growing grain crops in these places. Some mountainous and semi-mountainous areas are quite unsuitable for growing grain crops. Those areas should no longer be used for farming but should be redesignated as forest lands and grazing grounds as before. In those areas work should be done to grow grass and plant trees. In doing so, however, the people in those areas must wait for a period of time before they can receive benefits, and there must be a solution to the problem of money required for buying grain brought in from other areas. The state has decided to supply them with certain quantities of grain, cotton cloth, and explosives [zha yao 3498 5522] and to take measures to provide work as a form of relief, such as organizing the masses to build highways. In addition, the state has decided to provide the mountainous and hilly areas with 20 or 30 billion jin of grain on a loan basis to support them for 2 or 3 years, such grain to be returned when they have recovered economically. In this way we will not only solve the difficulties encountered in readjusting the agricultural structure of mountainous areas without increasing the targeted amount of loans but, at the same time, will vacate the granaries and encourage raising crops other than grain in those localities that are quite unsuitable for grain crops but are forced to grow them. Economically this will bring about many good results in succession. The problem regarding the three provinces in the northeast is a rather big one. Essentially, the problem is that they have an abundance of corn, and for a long time transportation facilities have been quite inadequate for transporting their corn to areas inside the Shanhai Pass and for sending pork from these areas to the northeast.

Once control is loosened over the prices of grain and pork in these northeastern provinces, there will be a rise in the price of pork, and the peasants will raise more hogs because they will feel it is more profitable to sell hogs than grain. After 2 or 3 years the price of pork will decline, and the ratio between the price of grain and hogs will become reasonable. The northeastern agricultural areas have favorable natural conditions for developing animal husbandry. All-out efforts should be made to raise hogs, cattle, sheep, and goats so the northeastern provinces can, by and large, supply their own meat requirements.

All in all, it is necessary to adopt different measures to readjust and change the agricultural structure according to different circumstances. There are many ways to do this. For example, the adjustment of crop strains in replacing the bad ones with good ones is a task with great potential. The yield of fine-strain rice is a little lower, but its economic value is much higher. For this reason, it still pays to grow fine-strain rice. We should find ways and give different forms of support to such adjustments according to different circumstances.

A Major Measure To Further Invigorate Agriculture

Loosening control of the prices of farm and sideline products step by step to bring about a change in the agricultural structure is a task which meets the urgent needs of the developing situation. Now is a very good opportunity to do this. If we do not make reforms and still act in the old way; that is, if we continue to practice the system of mandatory purchases and sales, buy whatever the peasants have grown, buy as much as they have produced, and fail to coordinate production with demands, then we will give incorrect information to the peasants. Now that large quantities of products like grain and cotton have already been overstocked, if we still promise to purchase all the grain and cotton produced by the peasants at the price based on the "reversed ratio of 30 percent and 70 percent" and thus encourage the peasants to raise large areas of these crops when in actuality we cannot purchase so much, or after purchase we would have to stockpile it in warehouses or even in open areas and could not sell it domestically or export it all because of the limited international market capable of payment, then our loss will increase greatly. It will be a very large waste for our society. In that case, the labor and money spent by the peasants are all wasted, and because large amounts of state funds are tied up, the normal circulation and revolving of funds are adversely affected. From the overall point of view, this is very detrimental.

Now there have appeared a number of new situations, which should be specifically analyzed. Generally speaking, an increase in agricultural production is good for our country's whole economy. However, this does not mean that the greater the increase, the greater the benefit to the continued development of our country's economy. On the contrary, some undertakings, if overly developed, will not only tie up state funds and cause waste, but also have a harmful effect on promoting the change in agricultural structure in a rational direction. In reality, they will bring about a situation like a hopeless chess game, instead of a promising chess game full of vigor and vitality. In making a choice between two things, we should choose the one with more advantages and fewer disadvantages. After looking at the entire situation, we can see that there are more advantages than disadvantages in changing the system of mandatory purchases and sales and loosening control over prices.

Basically, this is a major measure to further invigorate agriculture. In doing this, we may meet with some difficulties at present, but they are difficulties naturally encountered in the course of progress and change and can be entirely overcome by our efforts. The whole party should be aware of this question, and it is necessary to let the vast numbers of peasants and grassroots cadres be aware of it also, so that all comrades, at both high and low levels everywhere, will pool their wisdom and strength to overcome the difficulties and bring our agriculture to a new stage of development.

In general, the present agricultural question may be summed up in two points: One is that in dealing with agriculture, we must successfully readjust the rural production structure in accordance with the needs of commodity production. Through the market exchange of farm products, the labor of peasants is recognized by society. The peasants should be guided to show concern about changes in the market and to make production plans according to market demands so that production and social needs will be coordinated. The other point is that we should loosen the control over the prices of farm and sideline products and put market regulation into practice. The state should use economic means and measures to participate in market regulation and strengthen market control and supervision to overcome the blindness in its development and lead it to develop in the correct direction. (Originally published in issue No 3 of 1985 HONGQI)

PENG ZHEN ADDRESSES NATIONAL JUDICIAL MEETING

OW310415 Beijing XINHUA Domestic Service in Chinese 1517 GMT 30 Jan 85

[Text] Beijing, 30 Jan (XINHUA) -- At the 28 January plenary session of a national conference on public security, procuratorial, and judicial work [zheng fa gong zuo 2398 3127 1562 0155], Peng Zhen, member of the CPC Central Committee Political Bureau and chairman of the NPC Standing Committee, pointed out: Under the leadership of the party Central Committee and with the support of the whole party, the whole Army, and the people throughout the country, comrades working on the public security, procuratorial, and judicial fronts have won tremendous victories and rendered outstanding service to the people in the past year or so.

Peng Zhen said: The situation has greatly changed since the central authorities decided to punish according to law, promptly and severely, those committing serious crimes more than a year ago. Public order in various parts of the country has noticeably improved, and people now generally have a sense of security. All the people throughout the country, without exception, are gleefully hailing this action. This proves that our public security, procuratorial, and judicial departments can accomplish the tasks assigned to them by the party, the state, and the people. Meanwhile, we should also realize that this struggle will be long, arduous, and complicated. In some localities the rate of criminal cases has now dropped considerably but only a little in others. However, the crime rate has risen in some individual localities. Therefore, we must continue to punish promptly and severely serious criminal offenders according to law. Of course, punishment only is not enough; we should also step up our work in the ideological, political, economic, and cultural spheres in order to tackle the problem of crime in a comprehensive way. By tackling the problem in a comprehensive way, we can take the firewood from under the cauldron. We should simultaneously do our work in these two aspects and should not relax our effort in either aspect. The work in the two aspects should be coordinated and accelerated, and then the situation will further change for the better.

Peng Zhen said: Public security, procuratorial, and judicial work should be linked closely to economic work. The basic task of public security, procuratorial, and judicial work is to safeguard and promote the smooth development of the four modernizations, a task set by the party Central Committee several years ago. Our country is now reforming its economic structure extensively and in an all-round way -- these are important links in achieving the four socialist modernizations in our country. To realize the four modernizations is to develop the productive forces of our country. When the productive forces develop, the relations of production will change, and the superstructure will also change with the change in the relations of production. Since the public security, procuratorial, and judicial departments of the superstructure are most closely and directly related to the economic base, they of course will also change with such changes. Public security, procuratorial, and judicial work is determined by the economic base and should in turn serve the latter. To serve the economic reform and open policy, it is necessary to understand the changing economic situation, know about the problems in the situation, and know how to solve such problems.

Peng Zhen emphatically pointed out: To do public security, procuratorial, and judicial work well, it is imperative to strengthen the building of a contingent of public security, procuratorial, and judicial cadres and improve their political and professional qualities. He discussed the following several issues: First, it is necessary to strengthen our party spirit and eliminate factionalism. Handling affairs in party spirit means acting according to the party's position, principles, and policies. If our contingent of public security, procuratorial, and judicial cadres have no party spirit and practice factionalism in fighting hostile or sinister forces, it will weaken their fighting capability and seriously jeopardize their work.

Second, it is necessary to uphold principle and do away with unhealthy trends. It is easier to solve some problems according to principles. When unhealthy trends and evil practices prevail, problems remain unsolved after arguing back and forth for a long time. Third, it is necessary to achieve unity on the basis of principles. One should not be calculating for personal gain or the interests of a unit or a department but should wholeheartedly serve the people and take the interests of the country into account. Departments should put themselves in others' positions when they consider problems. By so doing, we can not only solve problems at present but influence and bring along the second and third echelons of cadres to deal with and solve problems according to our practice. Fourth, it is necessary to combat corruption. There are more not less sugarcoated bullets now than before. The contingent of public security, procuratorial, and judicial cadres is a contingent of the party and the state and, in short, of the people. Therefore, they must maintain high vigilance against sugarcoated bullets. Fifth, it is necessary to seek truth from facts. What is right is right, and what is wrong is wrong. If problems are serious, they are serious; if problems are not serious, they are not. If there are many problems, there are many problems; if there are few problems, there are few problems. Many complicated problems can be smoothly solved by seeking truth from facts, and many problems may be avoided by doing so. Sixth, it is necessary to study theory and to be good at making studies and investigations. These are the basic skills of the public security, procuratorial, and judicial departments. The basic principles of Marxism-Leninism-Mao Zedong Thought should be integrated with the specific conditions of various areas and departments. The "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure" is the principle as well as the basic theory guiding our practical work. It is necessary to study and investigate in order to solve problems. Only by doing so can we make correct decisions and seek solutions to problems.

Chen Pixian, member of the CPC Central Committee Secretariat and secretary of the central Political and Legal Commission, presided over the conference. Present were leading comrades of the Central Political and Legal Commission and various provincial, municipal, and autonomous regional political and legal commissions as well as responsible persons of central, provincial, municipal, and autonomous regional public security, procuratorial, and judicial departments. The 9-day conference came to successful close on 29 January.

CUI YUELI ADDRESSES SOCIETY FOR MEDICINE

OW301836 Beijing XINHUA in English 1638 GMT 30 Jan 85

[Text] Beijing, January 30 (XINHUA) -- Public Health Minister Cui Yueli today urged the country's 300,000 doctors of traditional Chinese medicine to work hard and promote the skills throughout the world. Chinese medicine, which is as ancient as the country itself, should make a still greater contribution to world health, the 65-year-old minister said. He was speaking at the opening session of the second congress of All-China Society of Chinese Medicine in Beijing. Cui noted that developing countries, African countries in particular, are paying increasingly great attention to Chinese medicine because of its low cost and effectiveness. Even medically advanced countries are keen to study it.

Doctors now vouch for the effectiveness of traditional Chinese medicine, including acupuncture, acupuncture anesthesia and "qigong" therapies. "Qigong" is the general term for ancient breathing exercises which are said to be effective in treating a variety of diseases including cancer.

But Chinese leaders and scientists have also pointed out that much work needs to be done to develop Chinese medicine into a recognized science.

One way of achieving the purpose was to intergrate it with Western medicine and other branches of sciences, according to Minister Cui.

President Li Xiannian and Senior Army Chief Nie Rongzhen sent letters of greetings to the meeting.

Li Xiannian, Nie Rongzhen Letters

OW302212 Beijing XINHUA Domestic Service in Chinese 1309 GMT 30 Jan 85

[Text] Beijing, 30 Jan (XINHUA) -- Greeting letters from Li Xiannian and Nie Rongzhen were read today at the second congress of the All-China Society of Chinese Medicine, now in session in Beijing.

In his greeting letter, Li Xiannian urges the broad masses of scientists and technicians engaged in the study of Chinese medicine to make new contributions to the development of Chinese medicine and to the people's health.

Nie Rongzhen says in his greeting letter: Chinese medicine, which is a crystalization of Chinese civilization and has made outstanding contributions to the health of Chinese people for several thousand years, has attracted the attention of all advanced countries and prompted them to study Chinese medicine. We should treasure it even more. All comrades in the sphere of Chinese medicine should strive to revitalize it, push it forward, and create a new situation for it.

WU XIUQUAN ON STUDYING ZHOU ENLAI WORKS

OW261453 Beijing Domestic Service in Mandarin 2315 GMT 24 Jan 85

[Article by Wu Xiuquan: "Cherish the Memory of Outstanding Diplomat Zhou Enlai"]

[Excerpts] The second volume of the "Selected Works of Zhou Enlai" contains articles dealing exclusively with diplomatic work [words indistinct]. These articles are representative works written by Comrade Zhou Enlai during the long period when he undertook the main tasks of our party, government, and Army after the founding of New China. From these articles we can readily see Comrade Zhou Enlai's lofty thinking and quality and his tremendous contributions to China's revolution and construction.

Following the founding of the PRC, Comrade Zhou Enlai held the position of premier of our government. He was also minister of foreign affairs for a long time. While assisting Chairman Mao in leading the revolution and construction in the whole country, he expended great energies to lead and personally engage in diplomatic work. He devoted his efforts wholeheartedly to everything from formulating the PRC's foreign policy and deciding on major international issues to arranging trivial diplomatic activities. The second volume of the "Selected Works of Zhou Enlai" contains an article which epitomizes New China's foreign policy. The article is entitled "Strive To Consolidate and Develop the Victory Won by the People."

The foreign policy of our country is a firm and clear reflection of the will and aspiration of the Chinese people who have already stood up. Comrade Zhou Enlai was one of those who formulated this policy. He resolutely carried out this policy and later embodied it in six diplomatic principles to ensure its implementation in China's foreign affairs. In the first year after its founding, the PRC established formal diplomatic relations with 17 countries and appeared on the international stage with a brand-new outlook.

In June 1950, the Korean war broke out. In October, the U.S. imperialists spread the flames of war to the Chinese border and blatantly encroached upon our territory, Taiwan, with armed forces. Confronted with the frantic imperialist provocations, China decided to dispatch volunteers to join the fight in Korea. When the party Central Committee and Chairman Mao made this decision, Comrade Zhou Enlai immediately summoned the Indian ambassador to China, asking the Indian Government to relay a stern warning to the U.S. Government that new China could not ignore the U.S. imperialist aggression. This manifested the Chinese people's iron will based on their independence and strength. Subsequently, he personally arranged to have the PRC's special representative carry out a resolute, face-to-face struggle against the U.S. imperialists on the UN platform. All these activities displayed the Chinese people's great image in the world political and diplomatic arena.

In the middle of the 1960's, Premier Zhou Enlai made many statements against the expansion of the U.S. imperialist aggressive war in Indochina. In these statements, he expressed the Chinese Government and people's resolute support for the people of the three Indochinese countries in their struggle against U.S. aggression and for national salvation. When they met with difficulties in their struggle, Premier Zhou issued orders to supply them with large quantities of materials as support. Comrade Zhou Enlai showed concern and expressed support for the Korean people in their just struggle for independence and peaceful reunification. He was also deeply concerned about the just struggle of the Palestinian and Arab people. On many occasions he met with Arab friends and gave encouragement to and expressed support for their struggle to regain their national rights and recover their lost land.

One of the major tasks of China's foreign policy is to promote unity, mutual support, and mutual assistance among Asian, African, and Latin American countries in their common struggle against imperialism and colonialism. Comrade Zhou Enlai made outstanding contributions to this task. What is most noteworthy is that he put forward the five principles for relations between China and India at the Sino-Indian talks on 31 December 1953; that is, mutual respect for territorial integrity and sovereignty, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. Afterward, at the Sino-Burmese talks, he proposed that the same principles be applied to relations between China and Burma, and this proposal was immediately accepted by the latter. These five principles were included in both the joint declarations of the Sino-Indian and Sino-Burmese talks. They became the famous five principles of peaceful coexistence jointly advocated by China, India, and Burma.

In 1955 Premier Zhou Enlai attended the first Asian conference in Bandung. At this conference of vital historical significance, independent Asian and African countries, whose people account for over half the world population, for the first time discussed matters of their own concern and voiced their will and wishes without the participation of colonialist countries. Premier Zhou brought the five principles of peaceful coexistence to the conference. According to the new circumstances and the consensus of opinion, he embodied these in 10 concrete principles and put forward the tenet of seeking common ground while reserving differences. This was approved and supported by the participants in the conference. The great success of the Bandung Conference and the public recognition of the five principles of peaceful coexistence as a standard norm for country-to-country relations have had a far-reaching impact on the international stage.

Consideration for the people and working all-out to win over and influence the people were what late Premier Zhou Enlai worked hard to pursue in his diplomatic efforts.

He waged a tit-for-tat struggle against the U.S. imperialists who had long interfered in China's internal affairs and militarily infringed upon China's territory Taiwan. But, China always followed Comrade Mao Zedong's instructions in differentiating the American people from their government and the decision makers in their government from ordinary government workers, and in holding high hopes in the American people. When the relations between the two nations appeared to turn for the better, Premier Zhou worked hard to carry out Comrade Mao Zedong's decision by inviting a U.S. table tennis team to visit China, which resulted in ending the long separation between the two nations. After that, the U.S. Government sent Dr Kissinger to China, and President Nixon also visited China at a later date. The Sino-U.S. Shanghai Communique signed during President Nixon's visit laid the foundation for establishing diplomatic relations between China and the United States. In this series of extremely complicated diplomatic activity, Premier Zhou Enlai fully demonstrated his outstanding talent and masterful negotiating skills.

Comrade Zhou Enlai was one of the major leaders of the Communist Party of China and the People's Republic of China, as well as one of the founders of the People's Liberation Army. He was an outstanding revolutionary, statesman, military scientist, and diplomat of China. He created and developed a new situation in China's diplomatic work with his outstanding capability and self-denying work.

The number of nations that have diplomatic relations with China has increased from just over 10 in the early days of the People's Republic to more than 100 now. China has broken through the isolation imposed by the imperialists and made friends all over the world. China has emerged from its humiliating diplomatic work of the old China to become an increasingly important force in world affairs. In every part of this series of brilliant achievements, we can easily find Comrade Zhou Enlai's sweat and blood.

Most of the writings in the second volume of the "Selected Works of Zhou Enlai" are his speeches on his work and practice. They are records of Comrade Zhou Enlai's achievements and the history of New China's diplomatic development. Therefore, regarding these works as historical diplomatic documents of New China and making an in-depth study of them are important tasks calling for everyone's attention.

'IN REMEMBRANCE OF WANG JIAXIANG' PUBLISHED

HK3J0503 Beijing RENMIN RIBAO in Chinese 27 Jan 85 p 5

[Report by Kuang: "A Book Entitled 'In Remembrance of Wang Jiaxiang' Published"]

[Text] The book "In Remembrance of Wang Jiaxiang" includes 39 articles, totalling 170,000 characters, recently written by Comrade Wang Jiaxiang's former comrades-in-arms and comrades (including secretaries, doctors, interpreters, and bodyguards). These articles reproduce various aspects the life story of this outstanding leader of our party, particularly the glorious contributions he made in a crucial historical period of our party, as well as his noble communist moral character, cultivation, and work style.

In an effort to collect the above-mentioned articles, Comrade Wu Xiuquan, Zeng San, and Fang Qiang convened a forum attended by more than 20 old comrades in Beijing in December 1982, thus laying a foundation for editing and publishing this book. Hu Yaobang, Nie Rongzhen, Wang Zhen, Xiao Jingguang, Wang Shoudao, Wu Xiuquan, and other central leading comrades were much concerned with this work and wrote reminiscent articles on their part. Comrade Chen Yun wrote the title of this book.

After spending about 2 years in collecting, selecting, and editing the articles, the relevant comrades from the Anhui Academy of Social Sciences succeeded in having this book published by the People's Publishing House and put on sale throughout the country by the Xinhua Bookstores on the eve of the commemoration day of the death of Comrade Wang Jiaxing.

DENG PUFANG ON SERVING HANDICAPPED PEOPLE

OW300925 Shanghai WEN HUI BAO in Chinese 24 Jan 85 p 2

[Report by Wang Jienan on interview with Deng Pufang: "I Am Willing To Serve Handicapped People for the Rest of My Life"]

[Text] On the eve of the first founding anniversary of the China Welfare Fund for the Handicapped, this reporter visited its vice president, Deng Pufang, at his residence in Beijing.

The 40-year-old Deng Pufang used to be a student of the Department of Physics of Beijing University. Because of the persecution of his father during the "Cultural Revolution," he was also victimized. In 1968 he was expelled from the party by Nie Yuanxi, and was crippled as a result of persecution. Because of serious injury to his spine and pelvis he was taken to Beijing's Qinghe Social Relief Institute. At the time he was extremely weak, paralyzed from the waist down, and frequently had high fever. With all the privileges of a college student taken away from him and without any pay, he had to rely on making wastepaper baskets with iron wire to earn some pocket money. His circumstances in those days were extremely miserable. Upon being informed of the situation, Comrade Deng Xiaoping, who was then in Jiangxi, was extremely saddened. He wrote a letter to the Central Committee, requesting that his son be allowed to come to Jiangxi to live with him. After his great misfortune, Deng Pufang returned to the side of his parents in 1971. It was at this time that he conceived the idea of dedicating himself to the welfare of handicapped people. He told this reporter: "Because of my own personal experience, I deeply understand the sufferings of the handicapped. My present conditions are very good, but I still experience all sorts of inconveniences. I can imagine the sufferings and problems of other handicapped people whose living conditions are not as good as mine." In 1982, after returning home from Canada where he had surgical treatment, he began to work with General Wang Shusheng's son, Wang Luguang, who was also handicapped as a result of a car accident.

Deng Pufang told this reporter: "There are now approximately 20 million handicapped people in our country. China is a socialist country where handicapped people are well cared for and treated equitably politically, and their living is well taken care of. The employment situation among our country's handicapped people is internationally known as 'surprisingly well.' In most cities today, over 70 percent of the handicapped people who can work are employed, and some cities have basically eliminated the unemployment problem. In rural areas, unemployment is no longer an issue among handicapped people who can work. Since the development of socialist construction in our country, more welfare services for handicapped people have been established throughout the country." According to Deng Pufang, the problem of handicapped people today is that there are too many restrictions for them in getting education, particularly college education. Recently he received a letter from a youth in Xinjiang. The young man, a student of good character scholastic achievement, scored 540 points in last year's college entrance examination. He was the only student in that region who scored more than 500 points. But because he was slightly handicapped, he was rejected by colleges. This made him feel miserable.

Deng Pufang said: "Authorities concerned attach great attention to this district problem and create better conditions for handicapped people to receive education." He asked: Why should handicapped people who are intelligent and can take care of themselves be rejected from pursuing advanced studies in college? Besides, these people tend to be more successful in their studies because they are more attentive to their studies and are more assiduous. Deng Pufang urged colleges to do away with their prejudices and take the initiative in enrolling outstanding handicapped young people. He also urged all newspapers to promote this cause.

At present the China Welfare Fund for the Handicapped is building a research center in Beijing to study the rehabilitation of handicapped people, and Deng Pufang has close feelings for this center. He said: "The rehabilitation center's operation will not be limited to treatment. It will become a large organization serving handicapped people in our country, combining academic research, teaching, and treatment. The state has already appropriated 26 million yuan for this project, but this is not enough. Support from people of all walks of life is still required."

Deng Pufang is now living with his parents, who personally take care of his daily life. Although his role in the organization is of an entirely voluntary nature and he receives no salary, he works tirelessly and travels widely to serve handicapped people's cause. He has accomplished a great deal of work in this regard during the past year.

Deng Pufang is a man of character. He is frank, straightforward, humble, and practical, and he is ready to do anything that is useful for handicapped people. He told this reporter that Comrade Deng Xiaoping cares very much for handicapped people, but Deng Pufang never involves his father in his own work. He said he will do his utmost to serve society by relying on his own efforts.

HU QIAOMU HIGHLY RECOMMENDS TRAGIC MOVIE

OW302018 Beijing XINHUA Domestic Service in Chinese 0750 GMT 30 Jan 85

[Text] Beijing, 30 Jan (XINHUA) — Comrade Hu Qiaomu wrote an article in the recently published No 1 issue of 1985 of DAZHONG DIANYING [POPULAR MOVIES], congratulating the success of the movie "Gaoshan Xia Di Huahuan" ["Garlands at the Foot of the Mountain"] and recommending the movie for everyone.

Comrade Hu Qiaomu says: "Some comrades of the CPC Central Committee and I have watched this movie, and like many others, were deeply touched by it. The comrades were moved to tears at that time. I think it really is a successful work, which should be viewed by workers, peasants, businessmen, students, soldiers, men, women, as well as old and young people alike throughout China."

Comrade Hu Qiaomu says: "According to Comrade Xie Jin, a major breakthrough in this movie is its treatment of a military theme in a tragic way. There are tragedies in our lives. Why could they not be written about? Despite the growing number of tragedies in our literature over the past few years and the fact that this movie is not our first tragedy, perhaps Comrade Xie Jin's remark about the tragic handling of military theme is correct. Writing tragedies does not necessarily indicate that the writers have pessimistic tendencies or that they want the spectators to become pessimistic. Those who have viewed this movie will, instead of becoming pessimistic, deeply feel the gravity of their duties as living persons."

In his article, Comrade Hu Qiaomu speaks highly of Liang Sanxi's family in the movie. He says: The spirit of Liang Sanxi's family displays our national spirit and soul as well as our national ethics. The family's fate has faithfully and naturally given expression to highly valued revolutionary fervor and affection among comrades and family members. The movie is void of ostentation, empty slogans, and special designations. Everything is so reasonable. A work void of human feelings will not be moving.

Comrade Hu Qiaomu notes: Some critics keep picking on our movies. I cannot go along with such ready denials of everything. Our movies have, by and large, made real progress. The success of this movie has been achieved on the basis of this overall progress, and is not an individual, sudden, and unusual phenomenon. Comrade Xie Jin is a veteran director, and the footprints of his advance have illustrated this point. Although our movies are not without defects, the first thing we should do to eliminate these defects is to have confidence that they can be eliminated. Those who lack this confidence and keep nitpicking and feeling inferior cannot achieve anything.

PRC QUARTERLY CARRIES ARTICLE BY CHEN MUHUA

OW301231 Beijing XINHUA in English 1214 GMT 30 Jan 85

[Text] Hong Kong, January 30 (XINHUA) -- PRC QUARTERLY, an authoritative English magazine on China published in Hong Kong, devotes a significant part of its latest issue to articles examining China's new economic policies. Its January 1985 issue, which came off the press today, has an article by Chen Muhua, minister of foreign economic relations and trade, on the reform of China's foreign trade system. The essence of the reform, she says, lies in separating government from enterprise functions. In her view, the former system suffered from too rigid a control of foreign trade by state foreign trade departments. After government and enterprise functions are separated, she says, foreign trade departments at both central and local levels will be responsible only for administration while enterprises will operate independently and be responsible for their own profits and losses.

In another article written for the magazine, Gu Ming, chief of the State Council's Economic Legislation Research Center, discloses that in the past five years, more than 300 economic laws and regulations have been promulgated by the National People's Congress and its Standing Committee and the State Council, with more than 50 of them concerned with foreign economic relations.

The latest issue of the magazine also examines the progress that has been made in opening up the 14 coastal cities since April 1984. China's 1984 economic performance is reviewed in an article by Zhao Weichen, vice-minister of the state economic commission.

PRC QUARTERLY, inaugurated in April 1984, is a joint publication of the Xinhua Publishing House, a subsidiary of the XINHUA NEWS AGENCY, Beijing, and magnificent Xinhua Ltd. Hong Kong. It is circulated both in Hong Kong and overseas. Among its contributors are ranking government officials, scholars, scientists, artists, writers, journalists and people of other professions. It aims to provide a comprehensive understanding of the many facets of present-day China.

DIRECT ELECTIONS IN COUNTIES, TOWNSHIPS END

OW301209 Beijing XINHUA Domestic Service in Chinese 0250 GMT 30 Jan 85

[Text] Beijing, 30 Jan (XINHUA) -- The elections in China's counties and townships have basically ended. By the end of December 1984, all but 10 of the country's 2,805 county-level units requiring elections by law after the completion of the previous term have carried out elections.

The 10 exceptions are newly established counties or counties where conditions for elections do not exist. At the township level, elections were held simultaneously with the county-level elections to achieve separation between government administration and commune management. Township-level elections have been carried out by all 29 provinces, autonomous regions, and municipalities, except Xizang.

The elections were carried out in a new situation when major achievements have been made in the reform of government organization and economic structures and when the building of democracy and the legal system has been gradually strengthened. Party committees at all levels strengthened their leadership to ensure the success of the elections. Election committees were set up at the county and township levels in accordance with the electoral law to preside over the elections of deputies to local people's congresses. The standing committees of the various provinces, autonomous regions, and municipalities guided the election work carefully and revised the detailed rules and regulations on elections in light of the spirit of the Constitution, the electoral law, and other relevant laws. The NPC Standing Committee held forums of the responsible persons of the provincial, autonomous regional, and municipal People's Congress standing committees to exchange information and experience on election work, answer questions on the applicability of law in local elections, and provide specific guidance on the elections.

The current county- and township-level elections have produced good results. The main aspects of these results are as follows:

1. The newly elected deputies to county and township people's congresses have broad representation and are advanced. Election results from various localities show that deputies representing intellectuals, women, youths, and minority nationalities have increased to varying degrees. Many outstanding figures who distinguished themselves on various fronts by their courage and dedication to reform and many specialized peasants and individual businessmen who became well-off by working hard have been elected as deputies. The results also show that the average age of the new deputies has dropped while their educational level has gone up.
2. Members of the newly elected leading bodies at the county and township levels are generally in their prime and meet the four requirements for cadres. More revolutionary, younger in average age, better educated, and professionally more competent. The direct county and township elections are the first since the promulgation of the new Constitution. The people's congresses born out of the elections have elected the standing committees and leading bodies of county-level governments and established the township people's governments to bring about the separation of government administration from commune management. According to statistics from Tianjin and eight other provinces, autonomous regions, and municipalities, 17.6 percent of the chairman and vice chairman of the People's Congress standing committees at the county level had college or higher education, up from the 9.6 percent of the previous term. According to statistics from Shanxi, Liaoning, Shanghai, Anhui, Jiangxi, and Gansu, the newly elected heads and deputy heads of the counties (or majors and heads of the districts) were generally 40 years old, and at least half of the members of the leading bodies of county-level governments had college or higher education. Many of them were scientific and technological personnel with special skills or knowledge.
3. Vast numbers of cadres and people have gone through a profound education in socialist democracy and the legal system. In the course of conducting election work, various localities have carried out propaganda and education in the Constitution, the electoral law, and the local organic laws.

The propaganda and education have enhanced the cadres and people's sense of the legal system and aroused the people's sense of responsibility to become masters of their own affairs. As a result, the vast numbers of the electorate actively took part in various election activities. According to statistics from 19 provinces, autonomous regions, and municipalities, the voter turnout rate reached 96.28 percent. In the process of considering the candidates, the voters made comparisons and selections. Some cadres were commended by the voters, while others were criticized. This has produced considerable repercussions among the cadres and will contribute to the improvement of their work style.

ELECTRONICS MINISTRY RECTIFICATION BOOSTS OUTPUT

HK300756 Beijing RENMIN RIBAO in Chinese 27 Jan 85 p 1

[Report by Chen Min: "Party Rectification Carried Out in the Electronics Industry Ministry Boosts Production"]

[Text] The party rectification carried out in the Ministry of Electronics Industry has promoted reform, scientific research, and production and boosted the rapid development of China's electronics industry. Last year the ministry increased its total output value by 45 percent and its profit by 51.6 percent over the previous year and increased both its output value and profit by 100 percent over 1980, thus fulfilling the targets for 1990 6 years ahead of schedule. Recently the Secretariat of the CPC Central Committee and the State Council listened to briefings by the party leading group of the Ministry of Electronics Industry and confirmed and party rectification work in the ministry.

How did the Ministry of Electronics Industry attain successes in party rectification?

First, the party leading group of the ministry has always attached great importance to party rectification. In particular, they have done a lot in reaching a common understanding and in straightening out the guiding ideology on professional work and have made a fairly big breakthrough. After discussions they unanimously held that the fundamental cause for the slow development of the electronics industry lay in the trammels of "leftism" and their failure to emancipate their minds, which found concentrated expression in their "sticking to old ways and being slow in action." They also failed to have an adequate understanding of the idea that the electronics industry should advance before others in economic development and should have a lead period. In the course of party rectification, after eliminating "leftism," breaking with outmoded ideas, and analyzing the development trends of the electronics industry abroad and the various favorable conditions for developing the electronics industry in the country, all comrades held with full confidence that it is entirely possible to octuple the output value of the electronics industry by the end of this century. They also made clear that the guiding ideology for developing the electronics industry should be: To meet the needs of application, to promote industrial development through application, to serve the four modernizations program and social life, and to strive to achieve the general task and objective laid down by the 12th CPC National Congress. The specific objectives of struggle of the electronics industry are: "To lay a foundation, to catch up with the advanced levels, to pay close attention to quality, to attain better economic results, to octuple the output value, and to fulfill the targets 10 years ahead of schedule." These objectives of struggle have become a slogan of action striking root in the hearts of the personnel on the electronics industrial front.

Second, it is necessary to readjust and strengthen the leading bodies in strict accordance with the principle of the "four transformations" for cadres.

They broke away from the conventions of arranging seniority according to length of service and resolutely promoted middle-aged and young cadres with modern economic and technological knowledge and a pioneering spirit of reform to leading positions at all levels. At the end of last year the complement of the leading body in the ministry was completed. The average age of the five members are 53.2 years and all of them have a university education or higher. They are in the prime of life, are knowledgeable, and have remarkable organizational ability. The masses have a good opinion of them. They organized people to conduct investigation and study and then reorganized the leading bodies of 97 large and medium-sized enterprises, accounting for 84.3 percent of the total number of large and medium-sized enterprises under the ministry. In the course of reorganizing the leading bodies at various levels, the party policy toward intellectuals has also been further implemented. Intellectuals with special knowledge on certain subjects were transferred to proper posts in order to bring their talent into play. The phenomenon of intellectuals finding it difficult to join the party has begun to change.

Third, it is necessary to concentrate our efforts on thoroughly negating the "Cultural Revolution" and eliminating factionalism. During the "Cultural Revolution" the organs under the Ministry of Electronics Industry were in a turmoil for a long time. Some comrades were fairly seriously affected by "leftist" ideas and factionalism. During the party rectification the leading cadres took the lead in explaining and analyzing the harm of factionalism in light of reality and, together with the vast number of cadres and party members, thoroughly negated the "Cultural Revolution" in theory, practice, ideology, and sentiment. After recalling their experiences during the "Cultural Revolution," most of the comrades drew lessons from them. Some erring comrades apologized of their own accord to the comrades who had been made targets of criticism and thus removed longstanding grievances among them.

The party rectification carried out in the Ministry of Electronics Industry over the past year has brought a new motive force to the opening up of a new situation and has created favorable conditions ideologically, politically, and organizationally for the development of the electronics industry. A central leading comrade pointed out: In developing the electronics industry, it is most important to promote development through application and to promote improvement through competition. At present the party leading group of the Ministry of Electronics Industry is organizing the vast numbers of cadres in conscientiously studying and implementing the instructions of the central leading comrade. They are determined to work in down-to-earth manner for the realization of the objective of "octupling the output value."

ELECTRONICS INDUSTRY DEVELOPS RAPIDLY IN 1984

OW300614 Beijing XINHUA Domestic Service in Chinese 1301 GMT 29 Jan 85

[By reporter Gu Honghong]

[Text] Beijing, 29 Jan (XINHUA) -- China's electronics industry, which is entering into a golden era, was the fastest growing industry last year in the development of the national economy. Compared with 1983, this industry last year showed a growth rate of more than 45 percent in terms of both its output value and the profit earned. This was more than triple the average industrial growth rate of our country for the same period.

Last year the electronics industry paid attention to two important tasks -- invigorating the work within itself and opening to the outside world.

It produced some 23,000 microelectronic sets, 1.55 million pieces of civil communications equipment, some 20 million radio receivers, and 9.17 million black-and-white and color TV sets. All showed a big increase over the 1983 records.

Last year saw 5,476 scientific research and trial-production projects completed by China's electronics industry. They included the testing and controlling equipment that played a significant role in the launching of China's first experimental synchronous communications satellite, the related communications equipment, and the electronic devices on the satellite. Among other projects were the Lhasa satellite ground station which enabled the people of Xizang to watch in a timely manner the program on the 35th National Day celebration ceremony transmitted by the satellite and new basic electronic parts which won the national "Gold Dragon Awards" for new products. Now there are a total of more than 13,000 quality-control groups in the electronics industry with approximately 200,000 staff members and workers doing quality-control work. Because of this, the quality of principal products is generally better than ever. The service life of black-and-white and color TV sets is a matter that the masses are rather concerned with. Now a TV set can be used for an average of 5,000 to 10,000 hours without trouble against only several hundred hours in the past. Last year the electronics industry made achievements in opening more sales channels and exploring new markets for its products. The sales through various channels of electronic equipment and parts for civilian needs and consumer electronic products amounted to 10 billion yuan. Now a nationwide open-type circulation network for electronic products is taking shape. Characterized by numerous channels but few intermediate links, this network is based on various kinds of economic associations with big and medium-sized cities as its centers.

COMPANY TO OVERSEE WORK ON JIANGSU NUCLEAR PLANT

HK300301 Beijing ZHOUGGUO XINWEN SHE in Chinese 1242 GMT 29 Jan 85

["Southern Jiangsu Nuclear Electricity Development Company Is Set Up" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 29 Jan (ZHONGGUO XINWEN SHE) -- The PRC Ministry of Water Resources and Electric Power has recently set up a Southern Jiangsu Nuclear Development Company to take specific charge of the project of building the Eastern China Southern Jiangsu Nuclear Power Plant. The Eastern China Southern Jiangsu Nuclear Power Plant will be built in Jiangyin County, Jiangsu Province. Two 900,000-kilowatt pressurized water reactor generators will be installed in this plant. The State Council has already approved the nuclear plant's application for its equipment imports.

At present, the Southern Jiangsu Nuclear Electricity Development Company is concentrating its work force on making preparations for holding talks with foreign businessmen and will soon make contact for talks with the FRG Power Station Federation and the French Framatome Company and the Alstone [A Er Si Tong 7093 1422 2448 6639] Company.

RESOURCES MINISTRY FINDS UNTAPPED RESERVES

HK300431 Beijing CHINA DAILY in English 30 Jan 85 p 1

[By staff reporter Wang Gangyi]

[Text] The discovery of larger-than-expected reserves of coal, oil and gas and previously unknown deposits of emeralds and sapphires are a few reasons 1984 is considered a promising year by the Ministry of Geology and Mineral Resources.

Sun Daguang, head of the ministry, told CHINA DAILY in an exclusive interview yesterday that the ministry has found large untapped reserves of gold, silver, and copper, surpassing previous estimates. Geological survey teams discovered an estimated 5,600 tons of silver; 1.12 million tons of copper; 92,300 tons of nickel; 1.91 million tons of lead and 3.1 million tons of zinc, he said. Potential deposits of silver in a silver-lead-zinc minefield in Guixi, Jiangxi Province, could be as high as 10,000 tons, geological surveys estimated. The mine is expected to yield an additional 50 tons of associated gold deposits.

The minister said general surveys of nonferrous mineral deposits also proved more than satisfactory. Deposits of meerschaum, alkali, emerald and sapphires were found in Hunan, Henan, and Jiangsu provinces. Survey teams estimated the newly discovered reserves would yield a total of 1.12 billion tons of phosphorus, 2.2 billion tons of gypsum and 2.76 million tons of talc.

Detailed exploration of the Liboshi Talc minefield in Shandong Province confirmed a deposit of 15 million tons, enough to justify the establishment of a talc-producing operation there, he said.

In Jiangsu Province, a large gypsum minefield was discovered. With estimated deposits of more than 1.5 billion tons in shallow beds, it is expected to be ideal for gypsum production.

Estimates of potential deposits of coal would add 13.2 billion tons to the country's estimated reserves of 727 billion tons.

Geologists also drilled the country's first deep, high yield oil well in 1984 in the northern part of the Tarim Basin. The well produces about 1,000 cubic metres of crude oil and two million cubic metres of natural gas daily. It is considered a major breakthrough by the country's oil and gas industry.

Last year, total industrial production of factories attached to the ministry surpassed their target by 13 percent. Output was valued at 189 million yuan, an increase of 19 percent over the previous year.

Scientific research conducted under the auspices of the ministry also bore fruit in leading to discovery of coal-generated gas with commercial value in three areas. Researchers also perfected methods of exploring for oil and gas in carbonate structures.

Geological surveys in Shandong, the largest gold-producing province, held out the promise of yet another large goldmine.

In 1984, the ministry employed a total of 3,660 research workers and college and technical-school graduates.

The Beijing-based publication ECONOMIC INFORMATION says that the province plans to increase mineral production by 500 million yuan. Output of nonferrous metals is expected to reach 200,000 tons in the next 3 years. The province has proven mineral deposits of 26 million tons in addition to 1.2 billion tons of iron ore. Geologists estimate the reserves will last several hundred years.

Collectives and individuals in Yunnan are encouraged to engage in mining enterprise. Newly established township and rural mining industries will be exempted from income taxes for three years. They additionally receive technological and financing assistance from local authorities.

DEBT PROBLEMS OF SPECIALIZED HOUSEHOLD REVIEWED

HK300648 Beijing NONGMING RIBAO in Chinese 17 Jan 85 p 1

[Report: "Well-known Fishery Specialized Household Chen Zhixiong Goes Into Debt -- capitalized passages published in boldface]

[Text] Chen Zhixiong, a well-known fishery specialized household, has gone into debt. By last December his debts totaled 150,000 yuan. At present, with the help of the Gaoyao County CPC Committee and government in Guangdong, he has begun to rally his forces and continue to undertake contracted responsibility for specialized undertakings. He also has plans to repay the debts.

Chen Zhixiong is a native of Shayi Township, Shapu District, Gaoyao County, Guangdong Province, and has a family of nine, of whom eight are able-bodied workers. Since 1979, he has undertaken contracted responsibility for ponds that stretch more than one brigade or district, including Wenhuilang Lake, which yields a well-known fish called a Wenhui carp. He quickly became rich and caused a sensation throughout the county. Some people then criticized his practice of undertaking contracted responsibility for a pond that stretches more than one brigade and district. RENMIN took up the issue. It has been 6 years since Chen Zhixiong began to undertake contracted responsibility. In 1979, he undertook contracted responsibility for 6 mu of pond and earned a net income of over 6,000 yuan. In 1980, the pond that he undertook contracted responsibility for was expanded to more than 140 mu and he earned over 10,000 yuan through both fish farming and Gorgon fruit [qian shi 5349 1395] production. After making money for 2 years, he became bolder. In 1981, he undertook contracted responsibility for over 430 mu of a pond that stretched over more than one brigade and thus earned a net income of more than 29,000 yuan through Gorgon fruit production and fish farming. In 1982, he continued to undertake responsibility for over 360 mu of pond that stretched across more than one brigade, but suffered a loss of more than 28,000 yuan. In 1983, he again undertook responsibility for 2,200 mu of land at Wenhuilong Lake to alternately grow rice and breed fish, but again suffered a loss of more than 23,000 yuan. Last year he continued to undertake contracted responsibility for the 2,200 mu of land but there was a poor harvest for all his fish, rice and Gorgon fruit for many reasons. At the end of 1984, it was estimated that the total income from his operation would not exceed 50,000 yuan, which was less than the 80,000 yuan levy for his land fixed by the contract. His debts shot up to 150,000 yuan, of which 78,000 yuan was loans from the state and collective, over 46,000 yuan was private loans, and 30,000 yuan was accrued contract levy.

We have learned that the major reasons for Chen Zhixiong's losses were:

1. **BLIND EXPANSION OF THE AREA OF CONTRACTED LAND:** The area of the land for which he undertook contract responsibility was increased from several mu at the beginning through several hundred to over 2,000 mu. He lacked the necessary labor, financial, and material resources and managerial knowledge for his undertaking. As a result, there was a reduction in the output of the products that he produced on a large scale. For example, the crop failure of his Gorgon fruit land alone caused a reduction in his income by over 100 yuan per mu.
2. **BLIND MANAGEMENT:** In 1983, Chen Zhixiong grew 600 mu of a fine strain of hybrid rice and reaped 300,000 jin of rice worth 57,000 yuan. Last year he sharply increased the area of late rice land to 1,200 mu, but he did not have the technology to grow a fine strain of hybrid rice and the crops failed on a large stretch of his land.
3. **POOR ACCESS TO INFORMATION:** The Gorgon fruit produced by Chen Zhixiong is unmarketable now and is stockpiled. This has tied up his funds. However, he has not lost his confidence despite these heavy debts, and he wants to continue to carry out specialized undertaking of a developmental nature by responsibility contracts to increase his income and repay the debts.

Recently, with the help of the Gaoyao County CPC Committee and government, he signed a contract with Huilong District to undertake the responsibility for fish farming in over 200 mu of barren pond. The county CPC Committee and government also plan to help him in three ways: 1) help him find ways to sell his Gorgon fruit; 2) discuss with the creditors extending the terms of repayment; and 3) provide him with more technological and managerial guidance.

Lessons Drawn From Failure

HK300650 Beijing NONGMIN RIBAO in Chinese 17 Jan 85 p 1

[Article by Ji Yechang and Guo Pingzhang: "On the Loss Suffered by Chen Zhixiong"]

[Text] Why did Chen Zhixiong, a man who was once called "an able man" by other people, incur losses and go into debt? This incident stirs deep thoughts by our rural cadres and the vast number of peasants.

When rural commodity production first began, Chen Zhixiong came to be regarded as an able man. He promptly discovered what was in short supply and relied on his own skills in fish farming to bravely undertake contracted responsibility for fish farming on a large pond. However, as the development of commodity production intensified, competition became increasingly fierce. The law of competition is that the better ones win and the inferior ones are eliminated. Under these circumstances, Chen Zhixiong, who once was a leader in carrying out commodity production, clearly lacked enough technological and managerial knowledge for his undertaking. There may have been many reasons for his losses, but the most fundamental was that he lost, or at least weakened, his contacts with the market and society. Despite lacking the necessary managerial competence, technological knowledge, funds, and material resources, he blindly changed the orientation of his undertaking and expanded its scale. As a result, he suffered failure.

Commodity production on a relatively large scale has just begun in our country's rural areas. This is still an entirely new field for our vast number of rural cadres and peasants. Many of them do not understand the law of value, know nothing about tax laws, and do not know how to analyze price trends, how to use funds and credit, how to sign contracts, how to engage in economic lawsuits, or even what commodities are, let alone the skill to keep up to date on the information and situation in all areas, the newest information, data on advanced technology, or modern scientific management methods. Therefore, our cadres and peasants should receive basic education about commodity production. If they fail to study, if they stick to old conventions, if they continue to view problems with old views and do things in old ways, or if they act brashly and rely on their luck, they will suffer setbacks.

The case of Chen Zhixiong's losses poses a question before the rural cadres at all levels: If we say that in the past few years the criterion for whether a cadre has emancipated his mind has been whether he has been willing to hand over the production decisionmaking power to the peasants, then the criterion now for whether a cadre can create a new situation is whether he is able to teach peasants to carry out commodity production. Those who educate others should first receive education. Therefore, our cadres must study earlier, more quickly, and better than our peasants.

To greatly develop our country's commodity production, we should gradually expand the scope of the regulation of market mechanism.

But ours is a socialist country in which the regulation of market mechanism operates under the guidelines of state planning and whose economy is not a thorough and 100 percent market economy. Therefore, what our vast number of rural cadres and peasants should study is market economics under socialist conditions. They should not copy capitalist ways. On the contrary, they should continue to heighten their awareness of and ability to resist the capitalist malpractice of putting profit-making first, seizing every chance to gain advantages by trickery, and benefitting oneself at the expense of others.

In the tremendously great development of commodity production in which 800 million peasants are taking part, it is a normal phenomenon that some people will suffer losses. We should not be overly concerned. There is always a certain degree of risk in commodity production and market competition. In the face of the risk, we should not be afraid nor oppose commodity production because some people have suffered losses. We should do our best to avoid losses. The vast number of rural cadres should use various kinds of approaches and means to help the peasants who have just begun to be engaged in commodity production in order to protect their initiative. Furthermore, it is much safer to carry out commodity production in our country than in a capitalist country. Even if a peasant suffers losses for the time being, he will not go bankrupt, as might happen in a capitalist country. He will still have his piece of "food grain land" to satisfy his basic needs. The state and collective will also help the peasant to extricate himself from his predicament in various ways. We are confident that Chen Zhixiong will certainly be able to draw lessons from his failures, rally his forces, and more satisfactorily carry out commodity production. We are also confident that the local party and government organs and economic departments will help Chen Zhixiong overcome his difficulties. We hope that our vast number of specialized households sum up their experiences and lessons, avoid taking twisted paths, and grasp the initiative in developing commodity production as soon as possible.

FIRST INFORMATION TECHNOLOGY INSTITUTE OPENS

OW310525 Beijing XINHUA Domestic Service in Chinese 1451 GMT 30 Jan 85

[Text] Beijing, 30 Jan (XINHUA) -- The Beijing Information Technology Institute, the first of its kind in China to train people specialized in information technology, was opened in Beijing today. Present at the inaugural meeting for the institute were Zhou Peiyuan, vice chairman of the national CPPCC Committee and chairman of the China Association for Science and Technology; Song Jian, minister of the State Scientific and Technological Commission; and Jiang Zemin, minister of electronics industry. Wang Zhen wrote an inscription of the name of the institute.

Information technology is China's weak link. To train a large number of qualified personnel in the field of information technology has become a pressing task. The founding of the Beijing Information Technology Institute will be of great significance in developing modern information technology in China and training qualified personnel in information technology. The institute will offer six courses -- Computer Applications, Software Science, Telecommunications Engineering, High Precision Electronic Machinery, Information Management Systems, and Industrial Management Systems. The institute will enroll undergraduate students from all parts of the country this year. It will also shoulder the task of promoting adult education by setting up a center to offer continued education courses to scientific research, engineering, and technical personnel of the Ministry of Electronics Industry, a center for the study of data processing in Chinese and a center for the study of software engineering. This institute is placed under the joint administration of the Ministry of Electronic Industry and Beijing municipality. In principle, the students of the institute will be given jobs in China's electronics and information industries, after their graduation.

FUJIAN SECOND-STAGE RECTIFICATION WORK BEGINS

OW271009 Fuzhou FUJIAN RIBAO in Chinese 12 Jan 85 p 1

[Text] According to the CPC Central Committee's plan, the first batch of party organizations for second-stage party rectification in our province went into action around New Year's Day of 1985.

They are the party organizations of 121 units, consisting of the 9 prefectures and cities, a number of enterprises and establishments at this level, 13 institutions of higher learning, and 1 county designated for conducting party rectification on a trial basis; namely, Zhaoan County. Altogether, more than 26,300 party members are involved in this group.

The provincial CPC Committee and party organizations of these units attach great importance to the second-stage party rectification work. As early as last September, the provincial CPC Committee made prearrangements for this work. The units to carry out party rectification were requested to make preparations in a serious way. Some 120 backbone cadres for this work were also trained by the provincial CPC Committee. In accordance with the provincial CPC Committee's prearrangements, all the prefectures, cities, institutions of higher learning, and other units involved made a serious effort to prepare for this work. They divided the work of their leading cadres by forming two separate leading groups -- one for party rectification and one for other work; thus, each unit had a leading body exclusively for party rectification. Serious investigations and studies were then conducted to make clear the current situation of the party organizations and party members, plans for party rectification were drawn up, and backbone cadres for this purpose were trained. According to statistics on 7 prefectures and cities, including Xiamen, Longyan, and Ningde, a total of some 1,200 backbone cadres were trained.

All units engaged in party rectification devoted their efforts to implementing in a creative way the Decision of the CPC Central Committee on Party Rectification. Because of this, a fine situation has appeared since the very beginning of this stage of party rectification. First, leading party cadres have played an active leading role in party rectification. It is learned that the party rectification mobilization reports in most of these units were delivered by their No 1 leaders. Every leading cadre has conscientiously joined a study group, strictly observed study discipline, and seriously read the documents and aired his views, setting an example for the masses to follow. Second, all units have conscientiously linked party rectification closely with the work of reform and of opening to the outside world. At the inception of party rectification, they arranged for their party members to study the decision of the 3d Plenary Session of the 12th CPC Central Committee. This was done in order to make them clearly aware that the reform of the entire economic structure with emphasis on the urban economy is the first important task for this year, and that party rectification must be linked closely with this reform; that is, it is necessary to use party rectification to promote this reform, the implementation of the open policy, and the development of the economy and, at the same time, to sue the result of economic work to test the success or failure of party rectification. Third, from the very beginning of their study of the documents, many units have carried out the principle of correcting mistakes while carrying out party rectification. This has increased the confidence of the masses, both party members and non-party members, in the effects of party rectification. For example, the Fuzhou City CPC Committee is a unit that has engaged in the study of the documents and, at the same time, has tried to correct its mistakes while carrying out party rectification.

In view of the masses' urgent demands, it has recently made serious efforts to implement the policy concerning intellectuals and solved the questions left over by the underground party in the past. This has won praise from the masses.

At present, all units are conscientiously studying the new questions encountered in studying the documents. They are strengthening the leadership over party rectification and striving to study the documents profoundly, discuss the questions thoroughly, and do well in correcting their mistakes with a determination to make the work of party rectification a real success.

FUJIAN PLA HELPS SPECIALIZED HOUSEHOLDS GET RICH

OW260607 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 24 Jan 85

[Text] The commanders and fighters of a PLA unit stationed in Lianjiang County have enthusiastically helped (Shaodi) Village to develop production, and enabled 10 specialized households in the village to quickly become rich. The average income of 3 of the specialized households exceeded 5,000 yuan.

The village is located in a remote mountainous area, with poor communications, and lacks economic information. The specialized households had difficulties in selling many of their products. On learning the situation, the unit helped the specialized households market their products and develop production in three ways. First, the unit promptly transmitted economic information gathered from newspapers and radio and television broadcasts to the specialized households. Second, it held technological classes for specialized households to raise the quality of their products. Third, commanders and fighters on official trips, and demobilized cadres and fighters leaving the unit for other employment, have helped the specialized households promote the sale of their products.

In May last year, upon learning that specialized peasant (Xiao Baodao) could not sell his bamboo products, the unit immediately wrote a letter to a demobilized cadre, and asked him to contact the county's foreign trade bureau in order to solve the problem. As a result, stocked bamboo products were quickly sold, and the peasant also signed a long-term contract with the Foreign Trade Bureau on procuring and marketing his bamboo products.

GUANGZHOU MAYOR ON PLANNING, FINANCIAL WORK

HK260708 Guangzhou GUANGZHOU RIBAO in Chinese 14 Jan 85 p 1

[Report: "Mayor Ye Xuanping Stresses at the Guangzhou Planning and Financial Conference: Seek Unity of Thinking, Take Vigorous Measures, and Fulfill the Tasks in Four Respects"]

[Text] Regarding how to speed up economic construction in Guangzhou, how to fulfill the "four three" tasks proposed by the Guangzhou CPC Committee and Government (namely, to double the annual gross value of industrial and agricultural output 3 years ahead of time, to complete the renewal of principal equipment in 3 years, to give priorities to three demands -- that old products should be upgraded and updated, new products should be exploited and developed, and Guangzhou should proceed in advance of other coastal cities in opening up international markets), and to complete the beautification of Guangzhou City in 3 years, Ye Xuanping, mayor of Guangzhou City, delivered an important speech at the planning and financial conference of Guangzhou City which ended on 11 January.

In his speech, Ye Xuanping repeatedly emphasized that the fulfillment of the "four three" tasks in an extremely important and glorious task, and various measures must be implemented vigorously on the basis of unity of thinking.

Ye Xuanping said that to fulfill the "four three" tasks, first of all we should speed up economic structural reform and invigorate enterprises. This is the key to fulfilling the "four three" tasks. He said that judging from the state of one city's carrying out the "Provisional Regulations on Further Extending Decisionmaking Power of the State Industrial Enterprises" (10 aspects), the delegation of powers in the four aspects, namely sales of products, prices of products, handling of assets, interunit associated operations, and so on, has been relatively well carried out, while the decisionmaking powers in the other six aspects have not yet been truly delegated. Regarding problems existing in these six aspects, planning for production and operation, selection and purchase of materials, use of funds, structural establishment, administration of affairs concerning personnel and labor, and wages and bonuses, he respectively proposed some specific regulations and requirements, pointing out that each department should give backing instead of setting up obstacles, obstructing, and interfering so as to let enterprises have a free hand to develop the productive forces.

When talking about relaxing financial policies, Ye Xuanping specifically pointed out that on the basis of carrying on implementing Document No 93 of 1984, the "Circular Regarding Extending the Limits in Relaxing the Financial and Tax Policies," we should put preferential policies into effect in such areas as industry, power stations run by enterprises, the collective economy and township and town industries, and projects involved in technical transformation which are completed and commissioned ahead of schedule, and so on. For example, he outlined specific regulations regarding the tax exemption questions in the food industry, traditional Chinese medicine processing trade, and packing and printing industries. The tax reduced and remitted should all be used as production and development funds, rather than as bonuses and welfare expenses. Misused money will be confiscated and people in charge will be held responsible. Self-generated electricity which is not consumed by enterprises but transmitted into major electricity grids can be exempted from taxation and sold at a price higher than that of the major electricity grid, or can be used to pay the electricity supplied by the major grid.

In order to meet the needs of economic development and to further enliven financial work, Ye Xuanping said that it has been decided after investigation and study to place five banks in Guangzhou -- the People's Bank, Industrial and Commercial Bank, People's Construction Bank, Agricultural Bank, and the Zhujiang Branch of the Bank of China -- under the administration of the Guangzhou Planning Commission.

With a deputy director of the Guangzhou Planning Commission in command and with the participation of every other bank, the Guangzhou Finance Bureau, and the Guangzhou International Trust and Investment Corporation, they will jointly raise local construction projects, coordinate the relationship between finance and banks and the relationship between specialized banks, and study how to bring into play the function of economic levers like credits, interest rates, tax revenues, and so on. The Guangzhou City People's Bank (functioning like a local central bank) will be responsible for the extension of loans and management of funds among every bank. It is highly necessary to manage well and flexibly the credit funds of as much as nearly 10 billion yuan to greatly promote the development of production, circulation, and every cause of economic construction.

When expounding on the importance of developing urban industries and township and town industries, Ye Xuanping said that the total output value of the urban industries and township and town enterprises in Guangzhou in 1984 topped 1.08 billion yuan, which is 8.11 percent of the total industrial output value of the whole city. [sentence as published] They already possess certain foundations and have become an important component part of the national economy. He asked the chief leaders of every district and county to seriously study the experience of Jiangsu Province, draw up specific development plans in line with local conditions, and adopt practical and effective measures to strive for major development within 1 to 2 years. He said that at present we should act according to the spirit of instructions of the Party Central Committee and the State Council to adopt the rural production structure and further liberate the rural productive forces. Every industrial administrative bureau in the urban areas (or general corporation) should break away from the limits of departments, districts and ownership to unify planning according to trades and put organizations concerned under the administration of specialized departments. As regards credits and tax revenues, preferential policies should be adopted. Starting from this year, some materials will be appropriated from local resources to aid the needs of production development of the urban industries and township and town enterprises.

GUANGDONG CIRCULAR ON SECURITY RESPONSIBILITIES

HK291340 Guangzhou Guangdong Provincial Service in Mandarin 1200 GMT 28 Jan 85

[Text] The provincial People's Government today issued a circular on promulgating regulations on instituting the safety and security work responsibility system in all organs, mass organizations, enterprises, and institutions, calling on all localities to implement and execute the regulations.

The regulations stipulate that all organs, mass organizations, enterprises, and institutions must practice the safety and security work responsibility system, establish and perfect safety and security work organs, and appoint cadres to be in charge of safety and security work, so as to properly carry out safety and security work in their own units.

The content of the regulations are to conduct education among cadres and staff and workers on the enemy's situation and the legal system; to strictly execute the state law on maintaining secrecy; to strengthen security management inside units, to strictly practice the residence registration management system in living quarters of staff members and workers and guesthouses; to strengthen the management of persons from other places; and to strengthen education in fire prevention and environmental protection.

GUANGDONG SECRETARY ON WRITERS' DUTIES, FREEDOM

OW291657 Beijing XINHUA in English 1622 GMT 29 Jan 85

[Text] Guangzhou, January 29 (XINHUA) -- Chinese writers should study more international literature and expand cultural exchanges with foreign countries, Ren Zhongyi, first secretary of the Guangdong Provincial Communist Party Committee, said here today.

In a message of greetings to a meeting of the Guangdong branch of the Chinese Writers Association, Ren said that China will become increasingly open and that on no account will it shut its door again. This was as much the case in art and literature as it was in economics, Ren stressed. Chinese writers were expected to guard against corrupt capitalist thinking and the pernicious vestiges of feudalism, but they should also study in real earnest what is progressive and positive in ancient and foreign culture.

Ren said it was the duty of local governments to ensure a favorable atmosphere for free creation, while providing writers with benefits such as better offices and housing. He expressed the hope that writers would correctly exercise the freedom to create so that they could better serve socialism and the people. More than 180 representatives, including some from Hong Kong and Macao, attended today's meeting.

MAO ZHIYONG ON DOUBLING HUNAN AGRICULTURE OUTPUT

HK250337 Changsha Hunan Provincial Service in Mandarin 1100 GMT 24 Jan 85

[Excerpts] Provincial CPC Committee First Secretary Mao Zhiyong said at the provincial rural work conference yesterday afternoon: Seriously implementing the rural economic policies decided this year by the central authorities and speeding up the pace of doubling agricultural output value is a glorious and arduous task facing us. The leading cadres at all levels must brace revolutionary spirit, boost confidence in victory, and be bold in exploration and pioneering. In this way we can further invigorate the rural economy and attain the vast goal of speeding up doubling of agricultural output value.

Comrade Mao Zhiyong said: We must have firm confidence in achieving doubling in agriculture ahead of schedule. In December, at the provincial conference on planning and technological progress, the provincial CPC committee and People's Government proposed that Hunan strive to achieve the first doubling of total industrial and agricultural output value 1 year ahead of schedule. I think agriculture should certainly achieve this. If it can, then we still have a still firmer basis for achieving all-round doubling 1 year ahead of schedule. Can agriculture achieve doubling ahead of schedule? I think it can. The experience of Daoxian and Youxian counties and the growth rate of output value in the whole province in recent years tell us that there are indeed very great potentials for agricultural development. So long as we correctly implement the CPC Central Committee's relevant policies of this year, carry out reforms in depth, and do a good job in readjusting the rural production mix, then agriculture can soar to new heights, and we might be able to achieve the first doubling 2 years ahead of schedule. The comrades engaged in rural work must have this confidence.

Speaking on how to achieve doubling in agriculture, Comrade Mao Zhiyong stressed: We must take the CPC Central Committee's new regulations on rural policies issued this year as our guide, firmly embrace the viewpoint of commodity economy, and further enliven the rural economy. We must boldly readjust the rural production mix in accordance with market needs. We must attach importance to science and technology and improve the level of modernization in agriculture.

We must expand economic ties between the urban and rural areas and follow a path of coordinated development of urban and rural areas.

Comrade Mao Zhiyong said: In short, comrades in agricultural and other departments must further emancipate their minds, enhance understanding, and ensure that their thinking develops as the situation develops, without coming to a halt. We must dare to break away from outdated things that do not suit reality, take the initiative to creatively solve the problems in our own areas and departments, strive to create a new situation in agricultural development, and make our contribution to achieving the first doubling of total industrial and agricultural output value 1 year ahead of schedule.

HUNAN URGES RECRUITING INTELLECTUALS INTO CPC

HK270232 Changsha Hunan Provincial Service in Mandarin 1100 GMT 26 Jan 85

[Excerpts] The Hunan Provincial CPC Committee issued a decision on 25 January on recruiting large numbers of outstanding intellectuals into the party. The decision pointed out: Intellectuals are that portion of the working class which is in the forefront in marching toward acquiring knowledge of modern science and culture. To recruit into the party large numbers of outstanding intellectuals who are determined to devote themselves to the cause of socialism and communism, thus ensuring that the party has a large number of talented people in all sectors who have a grasp of natural and social sciences and that the party can better shoulder its heavy historic burden of leading the four modernizations, is an essential measure for maintaining and carrying forward the advanced nature of the party in the new situation and an important strategic task for guaranteeing that the party's general mission can be victoriously fulfilled.

The decision puts forward specific demands on improving the standard of education in the party ranks. In the future, we must on the one hand pay attention to recruiting into the party large numbers of outstanding intellectuals, together with advanced young workers and peasants with a certain standard of education; and on the other hand, we must adopt various means to strengthen specialized cultural training for the existing party members and encourage them to become talented through self-study.

The focus in recruiting intellectuals into the party should be on outstanding elements among middle-aged and young intellectuals. At the same time, we should also pay attention to recruiting old intellectuals who urgently request and are qualified to join the party.

XIZANG NOT USING STATE SUBSIDIES PROPERLY

HK301252 Shanghai SHIJIE JINGJI DAOBAO in Chinese 21 Jan 85 p 5

[Report: "An Exploration of a New Method for Reinvigorating Xizang's Economy"]

[Text] Xizang was subsidized by the state with a huge sum of 7.5 billion yuan during the past 3 decades from 1952 to 1983. Has Xizang, with such vigorous financial support from the state, built its economy on a foundation of developing on its own? Regrettably, the answer is negative. Xizang's entire economy has declined and become more and more dependent on state subsidies.

Statistics show that the increase in Xizang's total industrial and agricultural output value is entirely attributable to state subsidies. In the past 30 years, total industrial and agricultural output value increased by 4 times but state subsidies increased by 65 times. An increase of 1 yuan in output value required an increase of 1.21 yuan in state subsidies. The average annual increase in output value was 5.45 percent, while the average annual increase in state subsidies was near 15 percent. How will Xizang be able to accomplish modernization if this situation is allowed to go on? If Xizang is to double its total industrial and agricultural output value in 14 years, taking the output value in 1981 as the base, then the state will have to give subsidies amounting to 4.5 billion yuan; quadrupling its output value in 27 years will need huge state subsidies amounting to 27.5 billion yuan.

It is entirely justifiable for the state to vigorously subsidize Xizang, which is a backward area inhabited by fraternal minority nationalities. However, the basic cause of Xizang's economic decline has not been a lack of state subsidies but the fact that the state's money has not been used to vitalize the commodity economy in Xizang. Moreover, the current reform of the economic system in Xizang has become the grounds for demanding more state subsidies.

Xizang's current economic system has two special features. The first special feature is that the state's money is used to buy the state's goods. In 1983, Xizang used 62 percent of the state subsidies for that year to buy goods from other parts of the country. These goods accounted for 96 percent of the total volume of goods retailed in Xizang in that year. This shows that the state's money was not used to develop local commodity production.

Why were the funds not used mainly to support local commodity production? This gave rise to the second special feature in Xizang's economic system, that is, that Xizang does not have an economic base but has a complicated "superstructure." The money and goods given by the state were appropriated for the "superstructure" and did not yield any profits. Xizang had to increase its administrative funds by 10 times in the 3 decades from the early 1950's to the early 1980's in order to keep its "superstructure" alive. The import of 1 yuan's worth of goods required the payment of 1.33 yuan as administrative fees; an administrative fee of 0.54 yuan had to be paid for an output value of 1 yuan. Administrative funds accounted for 54 percent of the industrial output value. What economic results have derived from such a huge administrative outlay?

Due to these two special features in Xizang's economic system, state subsidies will not do Xizang any good, just as in the case of anemia, which becomes more severe if more blood is transfused to the person suffering from it. If the state subsidies are really meant to help Xizang accomplish modernization, they should be used to help Xizang build its "blood-making" organ, that is, commodity production and commodity exchange.

CONSERVATIVE THINKING RELATED TO LEFTISM

HK300932 Xian SHAANXI RIBAO in Chinese 18 Jan 85 p 2

[Article by Lin Mu: "Overcome Conservative Thinking"]

[Text] [Editor's Note] The provincial CPC Committee has proposed to eliminate "leftism" and to destroy the old. In fact conservatism is adhering to the old ways. This article puts forward some new ideas regarding breaking with conservative thinking, and is worth reading. [end editor's note]

In order to expedite reform, we must overcome conservative thinking.

At present, the conservative thinking in the contingent of cadres is characterized by the following:

1. Being related to the influence of "leftist" thinking.

Basically, conservatism is knowledge lagging behind reality, and is a kind of right-deviationist thinking. However, during a period of 21 years from 1957 to the convocation of the 3d Plenary Session of the 11th CPC Central Committee, the guiding ideology of "leftism" in fact predominated.

Therefore, the conservative thinking at present is often reflected in being reluctant to part with and safeguarding those "leftist" things. For example, unitary economic forms and operational patterns; the management system of not separating government from enterprises, creating barriers and fetters between departments and regions at different levels, and the state imposing too many and too rigid controls over enterprises and talent; egalitarianism in distribution; and so on.

2. Being related to bureaucracy.

The thinking and capability of destroying the old and establishing the new originates from the masses and reality. Being divorced from the masses and reality, people's thinking will be like water without a source, and no matter how proficient and knowledgeable they originally were, their thinking will without exception bog down and become ossified. The majority of our cadres joined the revolution with the reform spirit of transforming the old world and establishing the new one, and their original thinking was not at all conservative. However, after occupying leading positions for a long time, and as a result of a decline in energy or an increase in bureaucratic airs, some comrades have failed to go deep into the realities of life and immerse themselves among the masses to investigate the new situation, study new problems, and propose new ideas. What they can only do is to copy sayings from books, or to stick to some of their outdated old experiences and methods acquired in the revolutionary war and in the early days of the People's Republic. How can their thinking not be conservative?

3. Being related to the lack and maturity of knowledge.

Whether people have knowledge or not and whether people can absorb new knowledge or not depends on whether people have an enterprising and creative spirit. In particular, in this modern society changing day by day, the aging speed of knowledge is becoming faster and faster and the renewing cycle of knowledge is becoming shorter and shorter. If we do not have adequate and constantly updated knowledge, we will lack the spirit and capability of coping with an emergency, with the result that our thinking will become conservative and backward. In our existent contingent of cadres, a considerable number of comrades not only lack knowledges of modern science and management but also lack a theoretical understanding of systematic Marxism. And even among those comrades with knowledge and theoretical understanding, the aging of knowledge is also relatively serious. This is one of the important factors in conservative thinking.

4. Being related to "selfishness."

Ordinary conservative thinking is a matter of understanding and lack of knowledge, but serious conservative thinking is generally related to "selfishness." There are several circumstances: 1) They are so scared of everything that they are afraid of taking responsibilities and risks, thereby not venturing to destroy the old and establish the new; 2) they pose as ones who "are always correct" and are afraid of negating themselves. For example, some comrades who committed one mistake or another during the "Cultural Revolution" do not want to thoroughly negate their mistakes, and therefore cannot thoroughly give up those "leftist" concepts and practices. And some comrades who were persecuted for a long time during the "Cultural Revolution" deserved to be called heroes and true men in bringing order out of chaos before and after the 3d Plenary Session of the 11th CPC Central Committee. But when the situation developed onto the stage of reforming and perfecting some of the systems and practices followed before the "Cultural Revolution," their "always being correct" thinking enables them to tend to be conservative; and 3) they tend to protect their powers and interests. Carrying out the reform will unavoidably touch the powers and interests of some people and some departments and units. In order to protect their narrow-minded powers and interests, those people who have individualist and departmentalist thinking will rise against the reform. To put it bluntly, serious conservative thinking is just protecting oneself.

In view of the characteristics of the current conservative thinking: we should, in party rectification and reform, link eliminating the influence of "leftism" with criticizing individualism and departmentalism and opposing bureaucracy to overcome conservative thinking. Meanwhile, we should actively create conditions to urge party members, cadres, and the masses to constantly carry out self-renewal in the aspects of knowledge and ideology; we should continuously readjust and strengthen leading groups at all levels and make the contingent of cadres more revolutionary, younger in age, better educated, and more professionally competent as soon as possible.

While opposing conservative thinking, we should also study the features of contradictions between the social reform of socialism and conservatism. For instance:

This contradiction is contention between right and wrong among the people, but not a struggle of implacable hostility between antagonistic classes. Although a struggle for power and interests are also sometimes involved, these contradictions are between the partial interests and the overall interests and between immediate interests and long-term interests on the premise of identical fundamental interests, and generally do not possess the nature of antagonism.

The relationship between reform and conservatism is not as antagonistic and distinguishable as the relationship between revolution and counterrevolution, but instead it changes from time to time. Some people who hold reform viewpoints in a certain period and on certain questions will probably hold conservative viewpoints in another period and regarding some other questions, and vice versa. This can be demonstrated by the transformations of some comrades from reform to conservatism and from conservatism to reform since the 3d Plenary Session of the 11th CPC Central Committee. Precisely because of this, the CPC Central Committee requires us not to classify so-called "reformists" and "conservatives" among the cadres and the masses.

Disputes over reform and conservatism are often very intricate and complex. Some opinions are correct and some are incorrect. Some opinions are basically correct but not very perfect.

Some opinions are basically not correct but possess logical ingredients. And some opinions cannot be differentiated between right and wrong for the time being. Regarding these disputes, it is out of the question to adopt an absolute attitude of "either this or that."

In view of these above-mentioned features, it seems that we should pay attention to the following points to correctly and effectively overcome conservative thinking:

First, on the premise of persevering in reform, we should correctly handle different opinions. First of all, we should encourage people to say what is on their minds. Then we should let comrades with different opinions engage in discussion, we should on the basis of full democracy and equal footing. After discussion, we should confirm correct opinions, perfect and revise opinions which are not very perfect and accurate, and absorb the logical contents of wrong opinions. As for those questions which cannot be clarified through discussion, pilot schemes should be carried out to examine, study, and solve them.

Second, we should both criticize conservative thinking and correctly handle comrades with conservative thinking. The central authorities require us to persevere in the principle of patient education in dealing with comrades who fail to adapt their thinking to the situation for the time being and the urge them to deepen their understanding in the practice of reform. This is absolutely correct. Even when dealing with comrades with selfish ideas and personal considerations, on one hand we should pay attention to criticizing their individualism and departmentalism, and on the other hand we should also give consideration to their deserved rights. As long as those comrades who remain unconvinced in their understanding even after education do not resist in operation the central authorities and do not obstruct reform, we should allow them to hold reservations.

Third, leading groups at all levels should ensure that comrades persevering in reform will gain the upper hand, but should not seek the "uniformity" of point of views and instead should suitably include some comrades with different opinions. Only in this way can we unite those people with various different opinions not included in leading groups and reflect their opinions so as to ensure that the decisions of leading groups will be comprehensive, accurate and realizable.

LIAONING HAILS JIANGSU'S ECONOMIC ACHIEVEMENT

SK290555 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 28 Jan 85

[Excerpts] Comrade Dai Suli, secretary of the provincial CPC Committee, delivered a report, concerning his observation and study tour in Jiangsu Province, at the rural work conference sponsored by the provincial CPC Committee on 28 January.

In his report, Comrade Dai Suli stated: Since the smashing of the gang of four, Jiangsu Province has developed its economy at high speed. During the 1977-1983 period, it doubled its total industrial and agricultural output value in the 7 years and ranked first in the country. Since 1984, the province has set up the second ambitious target of redoubling the total output value in the next 7 years. In comparing Liaoning Province to Jiangsu Province, Liaoning Province is far behind in the speed of developing the economy. What is noteworthy is that such a gap in this regard is steadily extending.

In his report, Comrade Dai Suli analyzed the gap cropping up in the speed of developing the economy between the two provinces. He held that the gap had mainly indicated the backwardness of developing village-owned enterprises throughout Liaoning.

In his report, Comrade Dai Suli stated: Liaoning Province should be determined to learn from Jiangsu Province and to catch up with it. In developing the economy, Jiangsu Province chiefly depends on the endeavor of invigorating the economy. This means that Jiangsu Province has integrated the principles and policies set forth by the CPC Central Committee with its actual situation and adopted every way and means to invigorate the economy. However, our province has fallen behind in this regard.

In his report, Comrade Dai Suli stated: The basic tasks undertaken by Jiangsu Province in enlivening the economy are as follows: 1) Efforts have been made to enforce the open-door policy in order to enliven its domestic economy, to vigorously develop commodity production, and to bring into full play the readjusting role of domestic and foreign markets. 2) In line with principles of integrating urban areas with rural ones and merging urban and rural areas into an integral whole, efforts have been made to make industrial arrangements among them, to have urban industries popularize their technology among villages, and to vigorously develop village-owned enterprises. 3) Efforts have been made to develop economic contacts among units at the same level, to gradually separate political affairs from enterprise business, to change conservative enterprises into progressive ones, and to adopt economic measures for conducting appraisal among enterprises achievements so as to establish socialist economic systems full of life and vigor. 4) Efforts have been made to regard as capital the talented people in developing the economy and to vigorously train personnel and develop intellectual resources. 5) In line with the need of the commodity economy, efforts have been made to improve systems and to relax restrictions in policies, particularly enlivening financial affairs. In enforcing economic policies, efforts have been made to saturate the demands of markets and regard profit-making as a main principle, to make decisions in line with the actual situation, and to refrain from implementing the provisions set forth by the higher level mechanically and from formulating rigid trammels of provisions.

In his report, Comrade Dai Suli emphatically introduced the experience gained by Jiangsu Province in developing village-owned enterprises. He pointed out the following four tasks boldly undertaken by Jiangsu Province in developing village-owned enterprises: Without energy resources and raw materials, Jiangsu Province has boldly opened enterprises by seeking imports and, in line with the needs of markets, the province has boldly opened plants regardless of the excess of outside plants engaging in the same production and regardless of sharp competition.

It has boldly borrowed loans, spent money on opening plants, and engaged in big business. In line with its mature conditions, the province has boldly opened big or foreign-style enterprises. Facts mentioned above may be regarded by some persons in Liaoning Province as incomprehensible. However, practice has shown in Jiangsu Province that such principles are effective.

In his report, Comrade Dai Suli stated: By studying the experience gained by Jiangsu Province, leading cadres at all levels throughout our province should further remold their guiding ideology of economic work and continuously eliminate the leftist influence so as to break the shackles of the out-of-date regulations.

In his report, Comrade Dai Suli stated: The currently urgent task is to do a good job in grasping the work in the following five aspects: 1) Efforts should be made to enliven key enterprises so as to set up economic network with the key enterprises as its center. 2) Efforts should be concentrated on opening village-owned enterprises in line with local conditions, which may engage in the undertakings of mining, building materials, energy resources, processing of farm and sideline products and feeds, food-stuffs, clothing, and sea and fresh water breedings. In 1985, Liaoning Province will newly open 20,000 Or 30,000 villiage-owned enterprises and will score a more than 50 percent increase in the total output value of enterprises over the 1984 figure. 3) Efforts should be made to vigorously conduct technical renovations and to accelerate the pace of building key projects so as to enhance the reserved strengtl. of developing the economy. 4) Efforts should be made to vigorously develop intellectual resources, to train personnel, to employ personnel in a reasonable manner, and to encourage exchanges of talented personnel and technology so as to utilize or develop intellectual resources to the greatest extent. 5) Efforts should be made to accelerate the pace of building the economic zones in southern Lianoning so as to enable these zones to bring along western Liaoning or the province as a whole in development.

In referring to relaxing restrictions in policies in his report, Comrade Dai Suli stated: From now on, we should give much power to grassroot level units to approve the opening of village-owned enterprises. Within the framework set forth by the state unified policies and in line with the prevailing situation in the province, we should adopt flexible measures and make appropriate adaptations in developing village-owned enterprises. We should also conduct tax reduction and exemption among village-owned enterprises, and enforce responsibility systems in financial affairs at the county level. The provincial and city authorities should appropriate a supplementary budget each year in supporting villages to open enterprises.

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1 Feb 1985

